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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

ARMS CONTROL & DISARMAMENT

Further on Ukraine, Byelarus Nuclear Transfer *[Moscow Radio]* 2
Munitions Described *[IZVESTIYA 7 May]* 2
Byelarus Status Reaffirmed *[NEZAVISIMAYA GAZETA 6 May]* 3
Media 'Distorted' Information *[Kiev International]* 4
Ukraine Defense Reports Withdrawal *[Kiev Radio]* 4
Armenia Requests Removal of Chemical Weapons *[Moscow TV]* 4
'Pressure' on CIS To Drop Nuclear Status Eyed *[IZVESTIYA 5 May]* 4

INTERNATIONAL AFFAIRS

Islamic Countries To Meet in Ashkhabad *[Ashkhabad Radio]* 5
CSCE Mediator Raffaelli To Visit Tehran, Baku *[Rome ANSA]* 5

INTERREGIONAL AFFAIRS

Military

Spokesman Says No Chemical Weapons in Karabakh *[ITAR-TASS]* 6
Friendly Tone Belies Black Sea Differences *[IZVESTIYA 5 May]* 6
Admiral Kasatonov Assesses Black Sea Talks *[KRASNAYA ZVEZDA 6 May]* 7
Shaposhnikov Order of the Day for Victory Day *[ROSSIYSKAYA GAZETA 6 May]* 7

Commonwealth

CIS States Cannot Afford Separate Embassies *[KOMSOMOLSKAYA PRAVDA 1 May]* 8
Consular Workers Meet To Work on Documents *[INTERFAX]* 10
Agricultural Developments for 17 Apr-6 May *[Moscow Radio]* 10

Media

ITAR-TASS Carries Press Review for 7 May 10

RUSSIA

International Affairs

Foreign Ministry Spokesman on 'Crimean Problem' *[Radio Rossii]* 12
Parliamentarian on Crimean Vote *[ITAR-TASS]* 12
Kozyrev Holds Talks With CSCE Mediator *[ITAR-TASS]* 12
Raffaelli Interviewed on Karabakh *[ITAR-TASS]* 12
Official Meets With NKAO Delegation in Moscow *[Radio Rossii]* 13
Latvian Ambassador's Statements 'Distorting' *[ITAR-TASS]* 13
'United Yugoslavia' Given 'De Facto' Recognition *[INTERFAX]* 13
'Balanced View' Taken Toward Yugoslavia *[ITAR-TASS]* 13
Official Views Troop Withdrawal From Germany *[ROSSIYSKAYA GAZETA 5 May]* 14
Legislators, German Military Meet *[ITAR-TASS]* 15
Government Says Honecker Must Leave Country *[ITAR-TASS]* 15
U.S., UK Military Group Assess Volga Units *[ITAR-TASS]* 16

Gaydar Attends Financial Conference in Geneva *[Moscow TV]* 16
Under Secretary Mulford on Freedom Support Bill *[IZVESTIYA 1 May]* 16
News Conference Held on Kozyrev's U.S. Visit *[Moscow Radio]* 17
'Ballyhoo' Over Industrial Espionage Viewed *[IZVESTIYA 5 May]* 18
St Petersburg Mayor Sobchak Visits New York *[ITAR-TASS]* 19
Political Parties Ask U.S. for Embassy Building *[Moscow TV]* 20
Impact of California Riots on U.S. Aid Viewed *[KURANTY 5 May]* 20
'De Facto' Relations With Cuban Opposition *[IZVESTIYA 5 May]* 20
Controversy Over Rocket Technology for India *[Moscow TV]* 21
Delivery to India 'Censured' *[INTERFAX]* 21
Results of Burbulis' Visit to India Reviewed *[IZVESTIYA 6 May]* 22
Shokhin Visits Beijing, Praises Relations *[ITAR-TASS]* 22
Arrives in Seoul for Economic Talks *[ITAR-TASS]* 23
Rutskoy Comments on Mideast Tour, PRAVDA *[PRAVDA 5 May]* 23
Potential Threat by 'Islamic Extremism' Noted *[KRASNAYA ZVEZDA 21 Apr]* 24

Federation Affairs

Shakhray Tenders Resignation As Legal Advisor *[INTERFAX]* 25
'Differences' Regarding Reform Cited *[ITAR-TASS]* 25
Yeltsin Replaces Pskov District Administrator *[BALTFAX]* 25
Gaydar Request on Tatarstan Defenses Not Honored *[POSTFACTUM]* 25
Gaydar Urges Settlement of Fuel Price Issue *[Moscow Radio]* 25
Adviser on Rejection of Own Currency Idea *[INTERFAX]* 26
Right to Resources of Republic's Seas Granted *[INTERFAX]* 26
Rutskoy on Efficiency of Agroindustrial Reform *[INTERFAX]* 26
'Catastrophic' Fall in Farm Output Avoided *[IZVESTIYA 5 May]* 27
Government Reacts 'Quietly' to Accounts Abroad *[ITAR-TASS]* 28
Supreme Court Expert Discusses Ban on CPSU *[IZVESTIYA 5 May]* 28
Zhirinovskiy Warns of West 'Robbing Russia' *[INTERFAX]* 30
New 'All-Russian Union' Party Being Formed *[INTERFAX]* 30
Expert Interviewed on Cryptology, Equipment *[KOMSOMOLSKAYA PRAVDA 1 May]* 31

Congress of People's Deputies

Government Must Pursue Stable Economic Line *[ROSSIYSKAYA GAZETA 6 May]* 34

Regional Affairs

Severodvinsk Becomes Submarine Building Center *[ITAR-TASS]* 36
Debate Over Karelia Nuclear Power Nears End *[Russian TV]* 36
Kaluga Plant Switches Tanks to Power Units *[Moscow TV]* 37
Muscovites Polled on Sociopolitical Developments *[IZVESTIYA 6 May]* 37
Tatarstan Communists Work To Restore USSR *[INTERFAX]* 38

UKRAINE

International Affairs

Further on Kravchuk's Visit to U.S. 39
Kravchuk Meets With Bush *[ITAR-TASS]* 39
Kravchuk Holds News Conference *[ITAR-TASS]* 39
Further on Kravchuk Comments *[ITAR-TASS]* 40
U.S. Concerns Viewed *[IZVESTIYA 7 May]* 40
Kravchuk Advocates 'Nuclear-Free' Black Sea *[ITAR-TASS]* 41
Government To Close Border With Moldova *[POSTFACTUM]* 41
Iran Interested in Sending Gas Through Ukraine *[Kiev International]* 41
Diplomatic Relations Established With Thailand *[Kiev International]* 41

National Affairs

Constitution Defines Crimea as Part of Ukraine *[Moscow TV]* 41
Crimean Constitution Elaborated *[INTERFAX]* 42
Further on Constitution *[ITAR-TASS]* 42
Reaction to Crimean Declaration of Independence 42
Final Law Curtails Crimea's Powers *[KOMSOMOLSKAYA PRAVDA 6 May]* 42
Ukraine Presidium Discusses Crimea *[Kiev Radio]* 43
'Flagrantly Violates' Ukraine Constitution *[Radio Rossii]* 43
Cabinet Rejects Independence *[ITAR-TASS]* 43
Ukrainian Deputy Cited *[POSTFACTUM]* 43
Admiral Kasatonov Cited *[POSTFACTUM]* 44
Rukh Circulates Appeal *[Moscow TV]* 44
Dissolution of Crimean Parliament Urged *[Kiev Radio]* 44
Protest Rally Held *[ITAR-TASS]* 44
Independence 'Tragic Road' to Split *[Kiev International]* 45
Peace Council Appeals to Crimea *[Kiev Radio]* 45
Workers' Group Against Independence *[Kiev Radio]* 45
Deputies, Producers Discuss Economic Issues *[DEMOKRATYCHNA UKRAYINA 30 Apr]* 45
Private Housing, Land Plots Grow Around Odessa *[Moscow TV]* 46

WESTERN REGION

Moldova

Conciliation Commission Discusses Conflict *[Chisinau Radio]* 48
'Fragile Peace' Prevails in Dniester Region *[Moscow TV]* 48
Internal Affairs Ministry on Dniester Situation *[Moscow Radio]* 48
Moldova Begins Draft Into National Army *[ROSSIYSKAYA GAZETA 6 May]* 49
Romanian Movement Nomination Surprises Druc *[Chisinau Radio]* 49
Druc Interviewed *[Bucharest CURIERUL NATIONAL 1 May]* 49

CENTRAL ASIA

Kazakhstan

Businessmen Keep 500 Million Dollars Abroad *[POSTFACTUM]* 51
Communist Party Refused Registration; Appeals *[ITAR-TASS]* 51
Privatization Decree Gives State Control *[IZVESTIYA 6 May]* 51

Kyrgyzstan

Akayev Hopes for Goodneighborly Ties With PRC *[INTERFAX]* 52
Draft Begins for Republican, CIS Armed Forces *[Radio Rossii]* 52
80 Percent of Budget Goes to Imported Fuel *[Moscow TV]* 52

Tajikistan

Further on Continuing Conflict in Dushanbe 52
CIS Blockade of Airport Denied *[Moscow Radio]* 52
Opposition Urges Coalition Talks *[INTERFAX]* 53
Officials Join Opposition *[Radio Rossii]* 53
Nabiyev in National Security Building *[Radio Rossii]* 53
Reconcilitation Government Announced *[Dushanbe Radio]* 53
Nabiyev Decree Lifts Curfew *[Dushanbe Radio]* 54
Revolutionary Council Controls Parliament *[Dushanbe Radio]* 54
Nabiyev Not To Renounce Powers *[ITAR-TASS]* 54
Opposition Reportedly Assumes Power *[Hamburg DPA]* 55
Further on 'Coalition Government' *[INTERFAX]* 55
Opposition Rally Opposes 'Accommodation' *[INTERFAX]* 55
Rumors of Nabiyev's Flight 'Refuted' *[ITAR-TASS]* 56
Khodzhent To Establish Northern Republic *[Radio Rossii]* 56

Turkmenistan

Government Prepares for Central Asian Summit *[INTERFAX]* 56

Uzbekistan

Razhabov Appointed State Secretary *[Moscow Radio]* 56
Trade Ministry Transformed Into Association *[INTERFAX]* 56
Karimov Gives Oil Concern Monopoly Rights *[INTERFAX]* 57

CAUCASUS

Armenia

Ministry Says Grad Mounts Deployed Near Border *[Yerevan Radio]* 58
Massed Action Against Nakhichevan Denied *[Moscow Radio]* 58
Ter-Petrosyan Comments on Minsk Conference *[ARMENPRES]* 58
Karabakh Wanted at Conference *[INTERFAX]* 58
Decree on International Activities Signed *[INTERFAX]* 59
President Appoints New Trade Minister *[ARMENPRES]* 59
Swiss Ambassador Presents Credentials *[ITAR-TASS]* 59
People's Front Demonstrates Against Aliyev *[Yerevan Radio]* 59
Arutyunyan Inaugurates Service Bridge To Iran *[Yerevan Radio]* 59

Azerbaijan

Ministry Reports on Clashes, CSCE Visit *[Baku Radio]* 59
Situation in Terterskiy Rayon 'Relatively Calm' *[Baku Radio]* 60
Russian Troop Withdrawal To Take 2 Years *[INTERFAX]* 60
Defense Ministry Takes Over Baku ECM Unit *[KRASNAYA ZVEZDA 6 May]* 60
Trade With Turkey Meeting Held in Baku *[Baku Radio]* 60

Georgia

Tskhinvali Shelled; Interior Troops Leaving *[ITAR-TASS]* 61
Tbilisi Fears Attacks by Gamsakhurdia Supporters *[INTERFAX]* 61
Militia, National Guard Patrols Reinforced *[Moscow Radio]* 61
National Guard To Enter National Armed Forces *[INTERFAX]* 61
Removal of Abkhaz National Guard Demanded *[Tbilisi Radio]* 62
Decree on Call-Up to Armed Forces Issued *[SAKARTVELOS RESPUBLIKA 18 Apr]* 62
Bridge for Shipping Goods From Russia Blown Up *[INTERFAX]* 63
Deputy Finance Minister Discusses Budget *[SVOBODNAYA GRUZIYA 23 Apr]* 63

BALTIC STATES

Estonia

Russian Envoy Meets With Parliament Chairman *[BALTFAX]* 65
Envoy Cited on Troop Withdrawal *[BALTFAX]* 65
Russian Submarine Crews Preparing To Depart *[BALTFAX]* 65
Russia Said To Make Territorial Claims *[INTERFAX]* 65
Return of Territory Near Narva, Petseri Demanded
[Stockholm DAGENS NYHETER 3 May] 65
Money Exchange Offices Open Nationwide *[BALTFAX]* 66
Exchange Delayed *[BALTFAX]* 66
Industrial Production Keeps Dwindling *[BALTFAX]* 66
Customs Regulations Set New Duty Free Limits *[Tallinn Radio]* 67
Volunteer Corps Units Set Up Customs Posts *[Riga International]* 67
Conditions of Servicemen Below European Standards *[Tallinn Radio]* 67

Latvia

Early Introduction of Latvian Ruble Possible *[Riga International]* 67
New 'Lat' Will Equal 1 Ruble *[BALTFAX]* 67
Measures for Financial Stabilization Taken *[BALTFAX]* 68
Doubts Expressed on Accord With Russia *[Riga International]* 68
Talks on Housing for Emigrants End in Failure *[BALTFAX]* 68
Ship Damaged in Collision With Russian Tanker *[Riga Radio]* 68
Two Warships Begin Patrol of Territorial Waters *[BALTFAX]* 69
Finland Grants $10 Million in Credits *[Riga Radio]* 69

Lithuania

Delegate on Need to Withdraw Russian Troops *[Russian TV]* 69
UN Assistance Regarding Withdrawal Sought *[Vilnius International]* 69
Ratification Documents Exchanged With Russia *[Moscow Radio]* 69
Vagnorius Speaks to Legislature on Government *[Vilnius Radio]* 70

Ukraine Statements on Nuclear Arms Withdrawal

UKRINFORM reports that Ukrainian President Leonid Kravchuk stated before his talks with U.S. President George Bush, "he did not see substantial differences between the position of his country and that of the United States on the question of reducing nuclear weapons." "All tactical nuclear weapons will be removed from Ukrainian territory by 1 July as planned," ITAR-TASS reports. Kravchuk added, "'Ukraine will ratify the treaty on strategic offensive weapons and will fulfill all its obligations arising from this agreement'" after the "protocol... on strategic offensive weapons is signed."

Kiev Radio, in a report from the Ukrainian Ministry of Defense press center, says that "on the night of 5-6 the last tactical nuclear devices were removed." Ukraine has therefore fulfilled the "obligations taken upon itself" "ahead of the planned date."

Crimean Relationship to Ukraine

Moscow TV reports that in the Crimean constitution, adopted 6 May, the Republic of Crimea has "defined its position with regard to Ukraine more precisely. The following addition has been introduced by a majority of votes: The republic of the Crimea is part of the State of Ukraine and determines its relations with it on the basis of a treaty and agreements." INTERFAX adds that deputies believe "the constitution will remain in force only till the independence referendum scheduled for August 2," that it was "done to avoid confrontation between the Crimea and the Ukrainian authorities," and was "aimed against the possible introduction of direct presidential rule by Kiev and the dissolution of the Crimean parliament."

According to a Radio Rossii report, the director of the Russian Foreign Ministry's Department of Information and the Press says that Russian policy on the Crimean issue is based on "official documents signed by the heads of the CIS states at the summit level, and also from the principles laid down in the documents of the CSCE." One of the "priorities" of Russian foreign policy is that "the interests of the Russian-speaking population living in other CIS member states must be respected and guaranteed."

Russia's Shakhray Tenders Resignation

Sergey Shakhray, legal advisor of the Russian head of state, has handed to President Boris Yeltsin his "application" for "annual leave and resignation after it," INTERFAX reports. This "request is expected to be accepted" just as his resignation from the post of vice premier was before the Sixth Congress of People's Deputies. ITAR-TASS adds in a related report that reasons given for Shakhray's decision include: "differences" among the President's staff regarding the "assessment of the political situation in Russia," and the "future reform strategy," but this resignation "does not mean that he is going over to the opposition."

Reconciliation Government in Tajikistan

Dushanbe Radio reports a "protocol" has been agreed to "between the president, Council of Ministers, political parties, and organization of popular movements of Tajikistan" which establishes a "National Reconciliation Government" that has "broad powers and authority." The protocol requests that "Nazrullo Dustov [vice president], Farrukh Niyazov [chairman, National Defense Committee] and Otakhon Sayfullayev [chairman, State Television and Radio Corporation] resign immediately", although "the question of the resignation of Supreme Soviet Chairman Safarali Kenjayev and of Nurullo Huvaydullayev [chairman of Supreme Soviet Committee on Issues of Legislation and Citizens' Rights and Appeals] should be put to an extraordinary session of the Supreme Soviet."

Further on Ukraine, Byelarus Nuclear Transfer

LD0605160392 Moscow Mayak Radio Network in Russian 1210 GMT 6 May 92

[Text] The course of the withdrawal of tactical nuclear weapons from the territory of Ukraine was discussed at a news conference in Moscow today. Zelentsov, deputy chief of the Main Directorate of the CIS Joint Armed Forces, and Yakovlev, deputy chief of staff of this same directorate, gave some important information. Dolganov, press attache at the Ukrainian Embassy in Russia, also took part in the news conference.

[Begin recording] [Zelentsov] We have decided today to inform you about the course of the withdrawal of tactical nuclear weapons from the CIS states to Russia. We are striving for the number of nuclear states not to rise but to decrease. With the breakup of the Soviet Union into several independent states a situation emerged in which there were nuclear weapons on the territory of several states rather than one. But now the day has arrived when there are nuclear weapons only on the territory of Russia. There are none on the territory of the other states. They were withdrawn from the territory of Byelarus slightly earlier and they were withdrawn from the territory of Ukraine last night and the process of destruction, as agreed by representatives of Ukraine, Byelarus, and Kazakhstan, will take place under monitoring by their representatives.

[ITAR-TASS correspondent] ITAR-TASS. It has become known from reliable sources that Ukraine intends to develop a special device allowing it to interfere in the process of controlling [upravleniye] strategic weapons, for example, by blocking a launch. At the same time, Ukraine has stated that it will be a nuclear-free power. This is a question for the press attache of the Ukrainian Embassy. What are Ukraine's plans regarding strategic weapons?

[Dolganov] Indeed, the talk of Ukraine wanting to have the opportunity to control the nuclear weapons on its territory does have a basis. Literally two days ago, there was a program from Ukraine on the Russian Television channel in which Ukrainian President Leonid Makarovich Kravchuk, in particular, gave an interview. And he said that technically it would be quite possible to make some kind of device to block the launch of missiles. However, it seems to me that it is incorrect to put it that way: that Ukraine is developing or intends to develop some kind of blocking device.

Ukraine announced its nuclear-free status way back in July 1990 when the declaration on the state sovereignty of Ukraine was adopted. This same desire was also confirmed later. It is the aim toward which Ukraine is striving. As far as control is concerned. The temporary suspension of the withdrawal of tactical nuclear weapons from the territory of Ukraine was precisely caused by the fact that Ukraine was unable to say exactly where and how this weaponry was going. Since the accord between the presidents of Ukraine and the Russian Federation, as you know, the withdrawal of tactical nuclear weapons has been resumed. Of course, it is very pleasant for me to hear today Sergey Aleksandrovich Zelentsov's news that, according to the information of the command of the CIS Joint Armed Forces, the last echelon carrying tactical nuclear weapons has crossed the Ukrainian border and I understand that this news could be the sensation of the day, but unfortunately, I am unable to confirm this report.

[Zelentsov] I confirm once again that the nuclear weapons are in the Armed Forces, the Joint Armed Forces. We are responsible for control over them and we know where they are. [end recording]

Munitions Described

PM0705090792 Moscow IZVESTIYA in Russian 7 May 92 Morning Edition pp 1,2

[Report by Viktor Litovkin: "No More Tactical Nuclear Weapons on Ukrainian and Byelarusian Territory. Russia Continues To Destroy Them"]

[Text] Lieutenant General Yevgeniy Maslin, chief of a CIS Joint Armed Forces Main Directorate, told IZVESTIYA that on the night of 5-6 May the last troop train carrying tactical nuclear weapons left Ukraine.

The hush-hush train, which outwardly was virtually no different from ordinary freight and passenger rolling stock, delivered to Russia's prefactory bases [predzavodskiye bazy] for dismantling [razukomplektivaniye] and destruction the last of the thousands of nuclear munitions still remaining on the territory of the independent state after President Leonid Kravchuk suspended the withdrawal to the Russian Federation agreed under the Alma-Ata and Minsk accords 23 February.

What kind of munitions are they? Aerial bombs for front-line aviation, nuclear antiaircraft missile pods, sea-launched nuclear munitions (torpedo and tactical cruise missile warheads), and air-launched cruise missiles. The same tactical nuclear weapons (apart from sea-launched munitions, of course) have been totally withdrawn from Byelarus. In the last month roughly 200 warheads and bombs have been withdrawn from there.

Thus, Ukraine, Byelarus, and Russia have carried out their commitments in full, a month earlier than scheduled, which is part of our tradition. Now there are tactical nuclear weapons on Russian territory alone. They will be destroyed in accordance with the schedule suggested by then USSR President Mikhail Gorbachev and later clarified and supplemented by Russian President Boris Yeltsin.

We would remind you that the problem with the withdrawal of tactical nuclear weapons from Ukrainian territory in February was brought about, Leonid Kravchuk said officially, due to the Ukrainian leadership's uncertainty that the nuclear weapons withdrawn from Ukraine to Russia would indeed be dismantled and recycled. The

state's officials claimed that lack of reliable supervision of this process from other countries in the CIS and the world community made it unpredictable.

Many independent observers regarded the Ukrainian leadership's nuclear demarches at the time as an attempt to put pressure on Russia when dividing up the Black Sea Fleet and deciding the future of strategic and military-transport aviation and other acute military and political problems. They pointed to the fact that this ad hoc step would hardly change Russia's position at the interstate talks, but might considerably complicate Ukraine's position in the world community and cast doubt on its leaders' ability to carry out international commitments, including the provisions of the Nuclear Nonproliferation Treaty.

This was what happened. First the Ukrainian president's press service clarified the leadership's position on the question of the tactical nuclear weapons withdrawal, then it was said that the withdrawal would be resumed as soon as Ukraine and Russia secured an agreement on reliable supervision by Kiev.

The agreement was signed by the Russian and Ukrainian presidents in April. Roughly 10 representatives of the Ukrainian Defense Ministry who were previously involved in the maintenance of nuclear munitions supervised the loading of nuclear warheads from their dumps and stores and gave the four trains of special-purpose freight the "green light." Local authorities and public movements, particularly in western parts of Ukraine, picketed the trains, suspecting that military property that the republic's leadership had declared to be the property of the Ukrainian people was being withdrawn from the state.

Independent experts estimate that there are still 176 strategic missile launchers with 1,240 warheads in Ukraine and 54 road-mobile single-warhead missiles [gruntovyye mobilnyye rakety s monoblochnoy boyevoy chastyu].

Byelarus Status Reaffirmed

MK0605130092 Moscow NEZAVISIMAYA GAZETA in Russian 6 May 92 p 1

[Pavel Felgengauer report under "CIS" rubric: "There Are No More Tactical Nuclear Warheads in Byelarus. They Will Possibly Be Withdrawn From Ukrainian Territory by 1 July"]

[Text] The CIS High Command and the Russian Government assured your NEZAVISIMAYA GAZETA correspondent that the withdrawal of tactical nuclear weapons from Byelarus was concluded at the beginning of May 1992—two months ahead of the appointed deadline. Now only strategic forces remain on the territory of sovereign Byelarus: 54 launchers for R-12M ground-based [gruntovoy] mobile missiles with single warheads, deployed in the areas of Lida and Mozyr (approximately 20 percent of the total number of such launchers on CIS territory). The withdrawal of the remaining nuclear weapons from the territory of Byelarus is to be concluded by the end of 1994. However, this kind of operation does not present any major technical difficulties—the launchers can (if required) leave under their own power. So it is quite possible that the withdrawal of the strategic forces from Byelarus will also be concluded significantly earlier than the official appointed deadline.

The withdrawal of tactical weapons from Ukraine, previously suspended for two months, is continuing. At the General Staff your NEZAVISIMAYA GAZETA correspondent was told that it is technically fully possible to conclude the withdrawal by 1 July of this year despite the delay: "We are now catching up with the previously interrupted schedule."

There is every reason to suppose that the world community's disapproval, clearly expressed through diplomatic channels, has after all changed the Kiev leadership's position. Leonid Kravchuk's official visit to Washington began 5 May. The renewed withdrawal of the warheads was presumably one of the basic conditions for the Ukrainian president's invitation by the Americans (and in the future for American money, too).

We can now hope that the tactical nuclear weapons will soon be concentrated on the territory of Russia, where a significant proportion of them will be dismantled. Then the problem of the "new" nuclear powers (Ukraine, Byelarus, Kazakhstan) will in many respects become less acute, since it is immeasurably easier to monitor [kontrolirovat] strategic weapons. The intercontinental range capability (over 10,000 km) of strategic ballistic missiles precludes the possibility of their use in regional conflicts, and the great weight of the warheads practically precludes other alternative methods of delivery to target. So that if the "new" nuclear powers try to become just that in reality rather than in theory, they will have to essentially start creating a nuclear potential all over again. Furthermore, although components of strategic nuclear weapons deployed outside Russian territory may of course be used in principle, great effort and time would be required for this purpose. And it will scarcely prove possible to keep such a nuclear program (if it is ever started) secret from the world community.

A month ago there was an entirely realistic threat of the proliferation of nuclear weapons outside the offical "nuclear club" of the five permanent members of the UN Security Council. Today one can breathe easier and feel somewhat calmer. If the disintegration—long promised by certain politicians and political experts—of the Russian Federation into a number of sovereign (in the nuclear sphere too) states does not start to happen in the near future, the geopolitical balance of forces in Eurasia may again assume the characteristics of permanent [zastoynyy] stability.

Media 'Distorted' Information

LD0705100692 Kiev Radio Ukraine World Service in English 0000 GMT 7 May 92

[Text] The Ostankino TV company in Moscow today again distorted information about Ukraine. It informed, in its day program, that to date Ukraine has already fully withdrawn its tactical nuclear weapons to Russia for dismantling. The Moscow journalists referred to the press attache of Ukraine in Moscow, Vadim Dolganov. In reality he did not give any confirmation of the information presented by Ostankino.

During today's briefing in Moscow organized by our embassy and the Press Center of the Foreign Ministry of Russia, Vadim Dolganov pointed out that he has no idea of the official reaction of the Ukrainian leadership to the process of the withdrawal of nuclear weapons from our republic. Therefore, Vadim Dolganov asked to consider the sensation given by Moscow TV a [word indistinct] slander in his address. The leadership of the Ostankino TV promised to publicly apologize to our press attache in Moscow in one of today's information programs.

Ukraine Defense Reports Withdrawal

LD0605194492 Kiev Ukrayinske Radio First Program Network in Ukrainian 1912 GMT 6 May 92

[Report from the press center of the Ukrainian Ministry of Defense—read by announcer]

[Text] In accordance with the program announced earlier by Ukraine to remove and destroy tactical nuclear weapons that are situated on the territory of the sovereign state, on the night of 5-6 May the last tactical nuclear devices were removed. In this way Ukraine, fulfilling the obligations taken upon itself, has fulfilled them ahead of the planned date.

Armenia Requests Removal of Chemical Weapons

LD0605153192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1400 GMT 6 May 92

[From the "Novosti" newscast]

[Text] According to a TURAN agency report, Armenia has requested the Russian authorities to withdraw chemical weapons from Nagorno-Karabakh territory as soon as possible. According to certain information, the depots abandoned by CIS troops contain 500 tonnes of chemical substances.

'Pressure' on CIS To Drop Nuclear Status Eyed

PM0505094192 Moscow IZVESTIYA in Russian 5 May 92 Morning Edition p 1

[Report by Vladimir Mikheyev: "Washington Insists on Nuclear-Free Status for Kiev, Minsk, and Alma-Ata"]

[Text] It has become known from reports leaked to the press that the United States has suggested that the Ukrainian, Byelarus, and Kazakh Governments sign a special protocol making them subjects of the Nuclear Nonproliferation Treaty. Under the protocol these three republics of the former USSR would pledge, first, never to aspire to the status of nuclear powers and, second, to remove all nuclear weapons from their territory by 1999, when the Strategic Offensive Arms Reduction Treaty is finally to be implemented.

The wording of Washington's new proposal is in itself intriguing and makes you wonder whether it is not hardening its positions. According to a report in U.S. NEWS & WORLD REPORT, the official renunciation of any nuclear ambitions (to wit, signing the protocol to the Nuclear Nonproliferation Treaty) is required "forthwith." This would entail—in return—"recognition" of the three republics of Ukraine, Byelarus, and Kazakhstan.

Since the U.S. Administration has already announced that it is establishing full diplomatic relations with Kiev, Minsk, and Alma-Ata, the promise to "recognize" their governments in exchange for their subscribing to the treaty as nuclear-free states can only be attributed to two things. Either it is a misprint on the magazine's part, or concern over the enlarged membership of the "nuclear club" has reached fever pitch in Washington.

Washington is most probably aiming to build up pressure on Kiev, Minsk, and Alma-Ata. It was certainly the main force behind the NATO statement issued the week before last, denying the three republics the right to be termed nuclear states. U.S. Secretary of State J. Baker said at the time: "A United States that hews to the course of isolationism will never be able to ensure its own security." Well-chosen words, but there is a fine line between exhortations and diplomatic pressure. How did this go down in Kiev, Minsk, and Alma-Ata?

Since the foreign policies of these states are still in their formative stages, and the leaderships there need the support of the population and the voters, U.S. pressure will prove effective if the benefits of good relations with that country (humanitarian aid, credits, investments, show of friendship, etc.) outweigh the problems caused by wounded national pride and a "sense of grievance for the country." At present the former does not balance out the latter, which is why Washington will clearly be making additional diplomatic efforts to get its own way.

Islamic Countries To Meet in Ashkhabad

LD0505205692 Ashkhabad Radio Ashkhabad Network in Turkmen 0200 GMT 5 May 92

[Text] TURKMENPRESS reports that Turkmen President Niyazov proposed that the heads of state of eight of the countries in the region—Turkmenistan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, and Uzbekistan—meet in Ashkhabad 9-10 May. Niyazov and Demirel spoke on the telephone with the presidents of other neighboring countries—Nazarbayev, Akayev, Nabiyev, and Karimov—who confirmed that they will participate in the Ashkhabad meeting. Iranian President Hashemi-Rafsanjani and Pakistani Prime Minister Sharif informed through diplomatic channels that they would come. Initial reports indicate that the issue of working out draft economic programs of interest to all participants in connection with solving general problems of the region will be discussed at the high-level Ashkhabad meeting. President Niyazov issued a statement saying that the high-level Ashkhabad meeting is not aimed against the interests of any other country. It was especially stressed that [words indistinct] to strengthen friendly relations between Turkmenistan and Russia. Russia has been and will be Turkmenistan's economic partner.

CSCE Mediator Raffaelli To Visit Tehran, Baku

AU0705103192 Rome ANSA in English 0835 GMT 7 May 92

[Text] (ANSA) Rome, May 6—The Italian diplomat chairing the Conference on Security and Cooperation in Europe meeting on Nagorno-Karabakh, Foreign Undersecretary Mario Raffaelli, travelled today to Tblisi to confer with Georgian President Eduard Shevardnadze and will move on to Tehran for talks with Iranian authorities, the Rome Foreign Ministry reported.

The office of the ministry's spokesman said after Raffaelli's meeting in Moscow with Russian Foreign Minister Andrey Kozyrev, he had a talk in Yerevan with Armenian President Levon Ter-Petrosyan on hurdles in the way of a rapid wind-up of the CSCE peace conference.

In Tehran, Raffaelli will discuss prospects for peace in the troubled Armenian-majority enclave in Azerbaijan against the backdrop of talks on a cease-fire there now underway in the Iranian capital and the complementary nature of this initiative and the path pursued by the CSCE.

After Tehran, the Italian undersecretary will go to Baku for consultations with Azerbaijani authorities and then on to Nagorno-Karabakh.

Military

Spokesman Says No Chemical Weapons in Karabakh

LD0605172192 Moscow ITAR-TASS World Service in Russian 1535 GMT 6 May 92

[By ITAR-TASS correspondent]

[Text] Moscow, 6 May—Lieutenant Colonel Nikolay Medvedev, head of the press center of the CIS Unified Armed Forces, has refuted an allegation by the Azerbaijan agency "TURAN" that there are dumps containing 500 tonnes of chemical substances in Nagorno-Karabakh. He stressed that there was not a single dump with chemical or nuclear ammunition belonging to the CIS in the whole Transcaucasian region.

Levon Melik-Shakhnazaryan, chairman of the commission for external relations in the Karabakh parliament, told ITAR-TASS that the report about the request supposedly made by the Armenian authorities to the Russian leadership to withdraw this "invented ammunition" from the territory of the kray was also a lie. He underlined that "this misinformation was based on the fact that from the beginning of spring, a chemical decontamination battalion was deployed in Stepanakert and its main target was to liquidate consequences of chemical damage as the result of hostilities or industrial accidents. It is common knowledge that this kind of unit is not intended for chemical attacks".

Friendly Tone Belies Black Sea Differences

PM0505123192 Moscow IZVESTIYA in Russian 5 May 92 Morning Edition p 2

[Leonid Kapelyushnyy report: "'Friendship Was the Winner' in the First Round of Talks..."]

[Text] Odessa—In the conference hall of the "Odessa" vacation complex, which is usually the scene of stock exchange frenzy, the leaders of the Ukrainian and Russian delegations held a press conference on the progress of the talks on the division of the Black Sea Fleet, albeit exactly two hours later than scheduled.

Television and radio commentators have already reported the main event—a permanent negotiation process is beginning. It will be maintained in the recesses between meetings by the two sides' working groups, which are also instructed to drawn up an agreement between Ukraine and the Russian Federation on the Black Sea Fleet.

A moratorium has been declared on unilateral actions tending to complicate the situation. For some reason there was no special response to the point in the joint communique on the draft Ukrainian Supreme Soviet Statement "On the creation of a nuclear-weapons free zone in the Black Sea region and the declaration of the Black Sea basin as a peace zone." Yet the creation of such a zone, no matter how long the road proves to be from draft to decision, will cause major adjustments to the way the cards in the Fleet's pack are dealt.

Apart from the fact that the talks were held in an exceptionally friendly atmosphere, for which the leaders thanked each other warmly, we learned nothing about the talks themselves or the differences of opinion between the sides. The statements of Yuriy Yarov (Russia) and Vasyl Durdynets (Ukraine) were reassuringly soothing and similar to one another. The fact that the talks have begun and will continue was seen as a big success. As was the fact that the working groups will seek mutually acceptable solutions; that there are new meetings in prospect; that our peoples are linked by a traditional and ancient friendship, and that no one is going to take any unilateral actions. All these things, of course, are very important and necessary, and thank God the sides reached that point in the course of one day.

Listening to the tape recording of the press conference for the fifth and even the tenth time, I managed to detect in the low murmuring of speech those slips of the tongue, half-hints, and inferences which give grounds for thinking that in the exceptionally friendly atmosphere I had discovered differing views on the problem and that agreement has not been found on it. Unfortunately.

Both leaders took as their point of departure the 16 January 1992 protocol signed by Messrs B. Yeltsin and L. Kravchuk in Moscow. But if even holy writ is being subjected to drastic reinterpretation, what about the protocol? Yuriy Yarov stressed: Under the document that has been adopted, the Navy of the former USSR belongs to the CIS strategic forces apart from that section which constitutes the Ukrainian Navy. A mere trifle remained—to determine **what** section that is and **who** will determine it.

Vasyly Durdynets, citing the aforementioned protocol, said: "As a maritime power, Ukraine has the right to create its own naval forces and proceeds from the right to legal succession to the Black Sea Fleet, which is stationed on its territory, strictly following the norms of international law and agreements signed by the CIS member countries."

The following figure has been mentioned many times on Ukraine's air waves and in the press: The Black Sea Fleet represents one-tenth of the former USSR's Navy. But Ukraine's contribution to the former all-Union economy was 17 percent. Is the young sovereign state expecting that much? Even if we disregard the ancient past, when Zaporozhye cossack fleets plowed the Black Sea—as reflected in the imperial prescripts of Catherine the Great and elsewhere—how can we disregard the obvious fact that the Black Sea armada was created largely because of the existence of a Ukrainian shipbuilding industry?

It seems to me that Yuriy Yarov's words most accurately convey the productivity of the talks: "At the present stage we were unable to find a formula which would have united us."

The problem of the division of the Black Sea Fleet has its own history, and each day adds new facts and fictions to it. Public opinion was aroused by the report that the Navy command had transferred from the Mikhail Kutuzov a group of officers and warrant officers who had sworn allegiance to Ukraine—they had been sent to serve in construction units. The Ukrainian delegation asked about this and received assurances that nothing of the kind had happened. There was an equally sensational report that someone had sold a ship to someone else. Yuriy Yarov stated that he knew nothing about it. Vasyl Durdynets said: "This has happened, and Ukrainian President Leonid Kravchuk talked about it at the heads of government conference and asked Marshal Shaposhnikov to investigate the story. I am not prepared to tell you the results of the investigation today..."

Pretty good news...

Both sides assiduously separated the main theme of the talks—the division of the Fleet—from another, no less important theme—the future of Crimea. Clearly diplomatic games have their own rules, and according to those rules it makes sense to divide the problem in this way. Although it is difficult "not to notice" that the situation over the Fleet has become a mechanism for aggravating the Crimea situation. It is even more difficult to understand how a decision on the Fleet can be found which necessarily links the question of sharing out the ships with socioeconomic protection for servicemen and their families and the future of the cities and population centers where Black Sea Fleet subunits are based (this is the official position of the Ukrainian side), not to mention Crimea. Is this "second main question" not in fact first in importance? Particularly for Russia. What, after all, would be the status of its maritime bases on another state's territory? Especially if the other state considered those bases its own. And if the ships that carry nuclear weapons do not become Ukraine's property (it is not claiming them), Crimea will be a safe harbor for them only until the creation of a nuclear weapons-free zone...

In the times of stagnation, which the people increasingly often remember with quiet sadness, competitions between republics, oblasts, and cities were very much in vogue. The annual summary of results accompanied by a major cultural and gastronomic program ended as a rule with the statement that "friendship is the winner." And even though emphasis has been placed on the friendly atmosphere at the talks, it seems to me that both sides will need a feat of diplomacy for friendship to triumph. God grant them the strength and wisdom to achieve it.

Admiral Kasatonov Assesses Black Sea Talks

PM0605142992 Moscow KRASNAYA ZVEZDA in Russian 6 May 92 p 3

[KRASNAYA ZVEZDA correspondent Captain Third Rank V. Yermolin report under the "Direct Line" rubric: "Admiral I. Kasatonov Assessed Ukrainian and Russian Delegations' Meeting in Odessa as Start of '100-Year Talks'"]

[Text] Sevastopol—In response to KRASNAYA ZVEZDA's request that he voice his opinion of the first round of talks in Odessa on the future of the fleet, Admiral I. Kasatonov, commander of the Black Sea Fleet, remarked that the results of this meeting bring to mind the "100 Years War"—will this diplomatic dialogue between Ukraine and Russia go down in history as the "100-year talks"? The admiral thinks that the "Ukrainian side is still engaged in political intrigue, with no regard for people's interests." In his opinion, the talks may be a screen concealing an increase in military-political actions implementing Ukrainian President L. Kravchuk's decree on transferring Black Sea Fleet units and ships to the republic's jurisdiction, a decree that has been officially suspended.

Admiral I. Kasatonov is alarmed that the delegations failed to respond to the resolution adopted by the Fleet officers' assembly, which spoke, in particular, of the inadmissibility of unilateral steps to decide the Fleet's future.

However, the situation in Simferopol and Sevastopol is heating up due to the insistence of the Ukrainian military department which is trying to oust Major General V. Kuznetsov, a senior officer in charge of military recruiting and registration from the Simferopol Garrison and commander of the corps stationed in the Crimea. The editorial office was told by Captain First Rank A. Lazebnikov, chief of the Black Sea Fleet press center, that Major General V. Kuznetsov spoke of his readiness to do the will of the Crimean Defense Council and Crimean Supreme Soviet and that he prevented military strategic stocks being moved from the peninsula to Odessa Military District basing dumps.

According to V. Kuznetsov, he was shocked at the question put to him during his latest efficiency appraisal by a Ukrainian Defense Ministry spokesman, to wit: "Are you willing to fight against Russia?"

This issue was considered by deputies at the Crimean Supreme Soviet session that opened Tuesday 5 May. The people of the Crimea think that Kiev should coordinate all movements and appointments to troop units stationed on Crimean territory with the Crimean Supreme Soviet.

Shaposhnikov Order of the Day for Victory Day

PM0605154292 Moscow ROSSIYSKAYA GAZETA in Russian 6 May 92 First Edition p 1

["Order of the Commander in Chief of the CIS Joint Armed Forces," No. 159, signed by Ye. Shaposhnikov, commander in chief of the CIS Joint Armed Forces, and dated 5 May 1992, Moscow]

[Text] Comrade soldiers and seamen, sergeants and NCO's, warrant officers and petty officers, officers, generals, and admirals!

Comrade veterans of the Great Patriotic War, of labor, and of the Armed Forces!

On 9 May the peoples of the CIS mark the festival of Victory in the Great Patriotic War. A heroic epic that lasted 1,418 days ended 47 years ago in total defeat for the fascist aggressors. Our Great Victory, won at the cost of millions of lives, unparalleled privations, selfless labor, and military feats, went down forever in history as a bright symbol of unbreakable patriotic spirit, peoples' friendship, loyalty to military duty, and devotion to the Fatherland.

Victory in the war imposed on mankind by fascism and militarism provided invaluable experience of cooperation among states and peoples for the sake of universal security and peace. In our day this experience has received new life in the establishment of the principles of confidence, mutual understanding, and good-neighborliness in international relations.

The heroic combat traditions of the front-line soldiers of the Great Patriotic War live on and continue in day-to-day Army and Navy practice. Servicemen of the Army and Navy, in the difficult conditions of the profound reform of society and the Armed Forces and the exacerbation of interethnic contradictions and conflicts, maintain their restraint, cohesion, and organization. Consistently and purposefully tackling the complex tasks arising from the withdrawal of formations and units from abroad, their installation their new stations, and the reduction of troops and arms, they are doing everything to maintain combat readiness at the necessary level and reliably ensure the security of the Commonwealth's peoples.

I greet and congratulate Army and Navy servicemen, veterans of the Great Patriotic War, of labor, and of the Armed Forces, and all compatriots on the Victory festival!

To mark the 47th anniversary of Victory in the Great Patriotic War, I order:

At 2100 hours local time on 9 May 1992, by agreement with local organs of power and administration, a festive artillery salute is to be fired in the capitals of the Commonwealth states, the hero cities, and the hero fortress of Brest, and also in the cities where the headquarters of military districts and fleets are located, with 30 artillery salvoes.

Eternal glory to the servicemen who fell in battle for the freedom and independence of our Fatherland!

[Signed] Commander in Chief of the CIS Joint Armed Forces

Marshal of Aviation Ye. Shaposhnikov.

Commonwealth

CIS States Cannot Afford Separate Embassies

PM0505143192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 1 May 92 p 5

[Correspondent N. Dolgopolov report: "The Embassy: Is It Not Too Early To Split It Up?"]

[Text] Paris—Time has taught us not to be surprised. However, the new chairman of the trade union committee at our state's embassy here flabbergasted me. With diplomatic civility, albeit not without inflexions of firmness in his voice, he advised KOMSOMOLSKAYA PRAVDA's correspondent to leave the trade union which I, naively, had regarded as my own. The head of the trade union—I should tell you, this is an elected post and an important one abroad—thought otherwise. The journalists-embassy link has now turned out, years later, to be artificial.

And I began to feel terribly gloomy, just dreadfully gloomy. But why are we like this? Why do we we shove and push each other away? We have no need at all of a foreign invasion. If we want to, we can bury ourselves and stamp down the ground—and overnight.

Let God be our judge! From the unpleasant ranks of the unduly formidable we have moved rapidly to find ourselves in the equally dishonorable camp of the underveloped. And the strong have an appropriate attitude toward the weak.

In short, Russia somehow has to establish itself. And this clearly will not be by dint of the former might of its warheads or the pretty wearisome acknowledgement of past error. The Russian Foreign Ministry has displayed no new signs of its global approach to date, apart perhaps from changing, for example, almost all the senior diplomatic leadership in France. These people, as we used to write, have to pursue the general Russian line. But people, regardless even of who is now in charge at the Kremlin, remain people. You always want to be sure about your own future.

And there is no certainty. Cuts are said to be on their way at the embassies and other Russian foreign establishments. Everyone agrees in priciple on the sad necessity of this, if only because no money for their upkeep is foreseen. Money—what money, when even the budget for this year has not yet been confirmed? The center issued a warning back last year, after 19 August: Pack your cases. But then it went quiet. The former secretary of the former party organization did leave, admittedly because he was completely superfluous, and I cannot even imagine what post he held down. One post has been cut for ever. The rest are in doubt. There are persistent rumors afoot that there will be staff cuts of 30-40 percent.

The corridors and the inner core of the embassy in Paris are completely steeped in Russia. This building, constructed for some historic visit or other by Brezhnev, is nicknamed the bunker by the French and certain staffers too. Indeed this, architecturally speaking, somewhat awkward concrete pile is reminiscent of an impregnable fortress where it would be possible to hold out until the Reds arrived even under attack from a numerically superior enemy.

Several years ago, when setting out for Paris as a correspondent, I confidently imagined that the local diplomatic community was a swarm of chair-bound bureaucrats. A mistake: It is just not possible physically to work in this European capital and be an idler, if only because everyone with any privilege comes to the French Republic's capital. A great mass of delegations and high-ups of all kinds come here. Just try to serve, fetch and carry, and draw up a program for this human elite. And after the bosses have gone, follow up to ensure that at least a little part of what has been signed and planned is put into practice. And meetings and send-offs at the distant airport are a hallowed task for everyone on long-term assignment. If it were up to me, I would erect a marquee at the swish air terminal where diplomatic and foreign establishment cadres could catch a bit of sleep and recharge their batteries while waiting for the eternally late flights.

In line with normal journalistic logic, I had supposed that the Aeroflot monopoly would alienate its permanent clientele when it raised its prices 50 times over. Nothing of the kind. Even at a rough estimate, there have been many more delegations during the period politely known as transitional. In discussion with Vladimir Lomeyko, ambassador to UNESCO, it emerged that my eye had not deceived me. Previously it was purely official leaders who came to visit; now it is the representatives of foundations and people from cultural and industrial associations of all twelve republics that are now full-fledged UN and, accordingly, UNESCO member states. I had just expressed some sympathy to the ambassador, but he brushed it aside. In principle the contacts are useful. It will be possible to get the most out of them, and the crisis-stricken commonwealth of semicollapsed countries will be enriched, if not by loans, then by international experience. But when will these acquired links start to operate? It is difficult to guess in advance the exact time when there will be a payoff. However, if there were no Russian Embassy in France or Russian permanent mission at UNESCO, visitors would in many respects be engaged in a blind quest.

The big question, however, is who will represent the interests of the nine extra new members of UNESCO in France. One of the main causal factors here is as banal as it is insoluble. There is no hard currency. The former Land of the Soviets has failed to scrape together enough money even to pay its annual contributions to UNESCO. Et voila, as the jovial French say, a mini-avalanche of others' misfortunes has rained down on the organization. Some have not yet paid, and as a result Director General Federico Mayor has been forced to borrow money to pay the very high salaries of his staff. Where is the Russian government to get foreign currency to pay its own people their very modest salaries? At first, when the long-awaited bank transfer from point "M" to point "P" [references unknown] did not arrive, they made do with their own resources. They moved all the staff from their Paris apartments into their own apartment block belonging to the permanent UNESCO mission and drastically cut back on official trips and telephone calls. However, even saved money is in the habit of running out. Yet in spite of suffering such a miserable lot, not a single worker asked to be sent home to mom.

The embassy is continuing to pay salaries, the same small salaries. Thrift is one thing, but I cannot really venture to say whether it is healthy for the Russian ambassador extraordinary and plenipotentiary to earn the same as a young French engineer just starting out. An embassy secretary draws something close to local unemployment benefit, while a technical staffer earns the same as a school leaver in his first job. Incidentally, the technical personnel were hit by cuts before the others. The exodus of technicians and workers is not on a mass scale, but it is very considerable. Clearly, the promised one-third cut will basically fall on them.

The new ambassador, Academician Yuriy Ryzhov, is ready for any surprises or scenarios. Aged 60, the former rector of the Moscow Aviation Institute Named for Sergo Ordzhonikidze is taking up duties whose discharge demands the most meticulous tact. At a time of complete disorder and instability at home he has to establish the authority of the state. And, with no offense meant, no one knows which state. Russia is ready to assume the honor and the onus of representation. But will the others concur? You can already hear talk that Ukraine is claiming part of the ex-Soviet property. Will it set up an embassy in France—okay; but if the bogus and highly popular concept of "let's divide up all the former Soviet property in Paris among ourselves" triumphs, all our diplomatic activity here will be—forgive me—kaput. No one can manage the expenditure on their own. It costs around 30,000 francs to purchase one square meter of land in Paris. Other costs are commensurate. But if we stick it out, become stronger, and get on our feet a little, we will see. For the time being, however, it is quite impossible to split up, separate, and shove one another aside. The ambassador sees diplomats from the Commonwealth countries working in the Russian Embassy as a definite, albeit temporary, solution.

The solution is consequently an obvious one, particularly as scrupulously careful French analysts have provided encouragement. Even by their hypercautious estimates, by the year 2000 the states of the former Soviet Union will finally be able to breathe. Life in them, that is to say, back home, will enter a normal state—not the West European norm as yet, but a more or less acceptable norm. Perhaps it does make sense to leave the division until later while carrying out our own policies?

Consular Workers Meet To Work on Documents

OW0705105092 Moscow INTERFAX in English 0938 GMT 7 May 92

[Transmitted via KYODO]

[Text] Consular workers of he Commonwealth of Independent States are having a two day conference in Minsk to discuss the formation of a common visa space [as received], the defence of the rights and interests of CIS citizens outside its borders, the procedure of granting citizenship.

The drafts of appropriate agreements worked out in Minsk are expected to be submitted to the Tashkent summit of the CIS.

Agricultural Developments for 17 Apr-6 May

LD0705044492 Moscow Mayak Radio Network in Russian 2130 GMT 2 May 92

[Text] According to data from the CIS State Statistics Committee, at the end of April, all Commonwealth states were engaged in spring sowing, though rates were somewhat lower than usual because of equipment and fuel shortages and organizational problems.

In Russia, through the end of April, spring crops had been sown on an area of over 9,500,000 hectares, which is 14 percent less than last year.

In Kazakhstan and Byelarus, spring crops had been sown on 1,300,000 hectares in each case.

Media

ITAR-TASS Carries Press Review for 7 May

LD0705054892 Moscow ITAR-TASS in English 0435 GMT 7 May 92

[Text] Moscow May 7 TASS—"Tajikistan is on the threshold of a civil war," NEZAVISIMAYA GAZETA writes today, describing the situation in this former union republic, where the confrontation between the authorities and the opposition has reached a critical point. "The republic is again divided into two irreconcilable groups. The opposition, which rallies democrats and representatives of the Islamic movement, is one group, and the party-administrative system which took over the new state apparatus of Tajikistan practically without changing, is the other." Commenting on the developments in Tajikistan, newspapers point out that another hotbed of tension has probably appeared on the map of the Commonwealth of Independent States. "Rallies were followed by the exchange of fire," KOMSOMOLSKAYA PRAVDA comments. "The paralysis of power and the irreconcilable character of the confrontation between the two warring parties resulted in bloody clashed on the night of May 5," KRASNAYA ZVEZDA stresses. The sides accuse each other of the desire to "capitalise on the nationalistic feelings" and draw the CIS troops into the conflict, but the troops remain neutral. Colonel Vyacheslav Zabolotniy, commander of the Dushanbe garrison, told KRASNAYA ZVEZDA that "the troops of the garrison are not interfering in the conflict, although President Nabiyev and the republican government have repeatedly demanded and continue to demand that the troops take under their protection key life-support facilities, and supplied them with arms."

Vitaliy Portnikov comments in NEZAVISIMAYA GAZETA on political consequences of the decision of the Crimean Supreme Soviet to proclaim state independence of the peninsula. He believes "the independence of the Crimean peninsula is paving the way to endless disintegration, to the right of each region to its independence from the parent state, if the latter does not suit it in this way or another." According to Portnikov, the Crimean legislators were driven to it "by Moscow itself. We can take a decision like this more or less calmly, if one is aware of the opinion of parliament of the powerful country, but not a neighbour state. The Crimea was also driven to it by Kiev, by its policy of half-steps and half-compromises." The Crimean legislators took upon themselves a great responsibility, TRUD points out in this connection. Their decision will make far more complicated the already difficult dialogue between Kiev and Simferopol (the administrative centre of the Crimea).

KOMSOMOLSKAYA PRAVDA comments on the statement made by Konstantin Kagalovskiy, Russia's official in charge of liasion with international financial institutions. He announced that the Russian Government decided to introduce the floating exchange rate of the rouble with regard to foreign currencies. This is a step towards the convertibility of the rouble, the newspaper points out. Describing the advantages and disadvantages of this step, the newspaper writes: "The convertible rouble is a vital necessity. There is no doubt about the correctness of the strategic course of the Russian Government, but it is a very risky step." The newspaper doubts that the "ceremony of the unification of the rouble and the dollar will take place at a fixed date."

"Russia has got a chance to turn the rouble into hard currency," NEZAVISIMAYA GAZETA writes in this connection. It believes this sensational statement should be regarded within the context of the beginning of a new step of the economic reform in Russia.

"President Yeltsin is expected to sign today the decree on the creation of the Russian Army and Navy," NEZAVISIMAYA GAZETA writes. In this connection two members of the state commission on the creation of the Russian Army, Colonel General Leontiy Kuznetsov and Aleksander Temerko, have contributed an article to the newspaper, which deals with the future of the Russian armed forces. They write that they used President Yeltsin's statement to the effect that the strength of the Russian army will be 1.5 million, and later 1.2 million, as the basis for their work. "We are ready to outline and substantiate all our ideas. Frankly speaking, we have

prepared everything. There are several versions, and the government and parliament should choose one of them," Kuznetsov said.

"If the Russian economic reform develops along its current course, living standards should stabilise by the end of this year," Russian Finance Minister Vasiliy Barchuk believes. He said in an interview with TRUD that the government failed to balance the budget without deficit this year, but the deficit was much smaller than last year. The government pursued a tough financial policy in order to curb inflation, and it has reached its target.

Newspapers cover the situation in the Dniester region, where difficult disengagement talks are under way, Russian Foreign Minister Kozyrev's tour of Middle East countries, Vice President Rutskoy's trip to Israel and Egypt, and write about "fragile hopes for the normalisation of the situation in Afghanistan," where troops of the transitional Mojahedin council and detachments of Hekmatyar's Islamic Party of Afghanistan reached a cease-fire agreement.

International Affairs

Foreign Ministry Spokesman on 'Crimean Problem'

LD0605190592 Moscow Radio Rossii Network in Russian 1600 GMT 6 May 92

[Text] Commenting on the Crimean problem, and also touching on other territorial questions and questions relating to state and nationality that are surfacing about the territory of the former USSR, Sergey Yastrzhembskiy, director of the Russian Foreign Ministry's Department of Information and the Press, said that on these questions the Foreign Ministry of the Russian Federation proceeds from official documents signed by the heads of the CIS states at the summit level, and also from the principles laid down in the documents of the CSCE.

It is one of the priorities of Russian external policy, he added, that the interests of the Russian-speaking population living in other CIS member states must be respected and guaranteed in accordance with the criteria that have been adopted in the international arena and are regulated by international law.

Parliamentarian on Crimean Vote

LD0605193192 Moscow ITAR-TASS in English 1821 GMT 6 May 92

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow May 6 TASS—The Crimean decision to proclaim state sovereignty creates a new political situation, according to a Russian parliamentarian. However, "we, the Russian deputies, were ready for such developments as the Russian parliament had already raised the question of the legality of the transfer of the Crimea to Ukraine in 1954", Aleksey Surkov, member of the Russian parliamentary committee for international affairs and foreign economic ties, told TASS on Wednesday.

The Crimean decision will not introduce anything new into Russian intentions, he added. It is important to give "a legal assessment to the decision of the Khruschev party nomenklature on the transfer of the Crimea from Russia to Ukraine and only then to contact Ukrainian and Crimean parliamentarians and jointly look for acceptable solutions", according to Surkov.

The Russian-Ukrainian relations did not aggravate after the Crimea had proclaimed independence. "On the contrary, they have somewhat softened", he said.

Much depends on whether the Ukrainian parliament recognises Crimean independence, according to the Russian parliamentarian. "It remains to hope Kiev has wisdom enough" to make a positive decision. "Then nobody would lose, nor Ukraine, nor Russia, nor the Crimea", Surkov stressed. Tripartite negotiations would begin which might find a political solution to all the problems related to the Crimea", he added.

Kozyrev Holds Talks With CSCE Mediator

LD0505101892 Moscow ITAR-TASS in English 0934 GMT 5 May 92

[By ITAR-TASS diplomatic correspondent Andrey Surzhanskiy]

[Text] Moscow May 5 TASS—Talks that have begun in Moscow between Russian Foreign Minister Andrey Kozyrev and the chairman of the CSCE Nagorno-Karabakh peace conference Mr. Raphaelli, are focusing on problems relating to the organisation of an international conference on Nagorno-Karabakh.

Russia acts as a mediator in settling the conflict in the region. The latest CSCE meeting in Helsinki decided to convene a conference to normalize the situation in Nagorno-Karabakh and determined that its participants should include Armenia, Azerbaijan, Byelarus, Germany, France, Italy, Russia, the United States, Turkey and Czechoslovakia.

It was decided that Minsk, the capital of Byelarus, would be the venue of the conference which is to open in the first half of July. Russian diplomats, however, believe that as bloodshed continues in Nagorno-Karabakh it is advisable to hold the conference at an earlier date.

Raffaelli Interviewed on Karabakh

LD0505123292 Moscow ITAR-TASS World Service in Russian 1040 GMT 5 May 92

[by ITAR-TASS diplomatic correspondent Andrey Surzhanskiy]

[Text] Moscow, 5 May—"The aim of my visit is to determine the dates for convening an international conference on Nagorno-Karabakh," Mario Raffaelli, chairman of the peace conference for resolving the conflict under the aegis of the CSCE, said today in a conversation with the ITAR-TASS correspondent. "The entire problem", he stressed, "lies in starting this forum as soon as possible because of the continuing bloodshed in the region."

At the last CSCE meeting in Helsinki, the decision was made to hold an international conference to normalize the situation in Nagorno-Karabakh. It's participants have been determined and include Armenia, Azerbaijan, Byelarus, Germany, Italy, Russia, the United States, Turkey, France, Czechoslovakia, and Sweden.

A working meeting between Mario Raffaelli and Russian Foreign Minister Andrey Kozyrev took place today. Summing up the results of the conversation, M. Raffaelli noted that "In Moscow the CSCE mission had an opportunity to exchange opinions with the Russian side which has much experience in mediation efforts to settle the conflict in Nagorno-Karabakh." As was reported to the ITAR-TASS correspondent today by a source close to the Russian Minister, Russia's position is "not to delay" calling a conference.

M. Raffaelli also said that the CSCE mission would set off for Armenia today and then for Azerbaijan, Nagorno-Karabakh, and Turkey to discuss issues connected with the organization of the conference with all of the interested sides. Representatives of this international organization will also visit Minsk, the capital of Byelarus, which has been chosen as the location for the plenary sittings of the conference.

Official Meets With NKAO Delegation in Moscow

LD0305164892 Moscow Radio Rossii Network in Russian 0000 GMT 3 May 92

[Text] Shelov-Kovedyayev, the Russian first deputy foreign minister, met in Moscow on Saturday [2 May] with a Nagorno-Karabakh [NKAO] delegation, led by Levon Melik Shakhnazaryan, chairman of the NKAO parliamentary commission for foreign relations. The political settlement of Nagorno-Karabakh was discussed at the meeting. The head of the NKAO delegation assessed the meeting as a new stage in the mediatory mission which is being carried out by the Russian diplomats in the region. He expressed the hope that Russia would adopt a more active position on this issue.

Latvian Ambassador's Statements 'Distorting'

LD0505190692 Moscow ITAR-TASS in English 1604 GMT 5 May 92

[By ITAR-TASS diplomatic correspondents Sergey Staroselskiy and Vasiliy Titov]

[Text] Moscow May 5 TASS—Speaking to journalists in Helsinki recently, Latvian Ambassador to Russia Mr. Peters permitted himself statements distorting the de facto picture of Latvian-Russian relations and containing arbitrary evaluations of the Russian Government's policy, a senior Russian spokesman said at a Foreign Ministry briefing today.

Sergey Yastrzhembskiy, chief of the Russian Foreign Ministry Information and Press Department, emphasised that Mr. Peters's statements that "negotiations between Russia and Latvia on troop pullout have not yet actually been started," do not correspond to reality. In this regard, Yastrzhembskiy recalled that talks between the two countries' state delegations were held in Riga on February 1, 1992 and groups of experts were formed upon the results of the talks and have already held three sessions since then.

As for the ambassador's deliberations concerning rifts between Russian diplomats and military on troop withdrawal, this is "nothing short of a hackneyed method which is in effect equal to deliberate misinformation," Yastrzhembskiy observed.

The tactless nature of some of the ambassador's public statements addressed to the host country, which is at odds with the universally recognised diplomatic standards, generates amazement in the Russian Foreign Ministry, Yastrzhembskiy stressed.

'United Yugoslavia' Given 'De Facto' Recognition

OW0705124392 Moscow INTERFAX in English 1158 GMT 7 May 92

[From "Diplomatic Panorama" feature; transmitted via KYODO]

[Text] Russia feels it is up to the former Yugoslav republics to decide who will act as the legal successor to the defunct Yugoslav Federation. An expert with the Russian Foreign Ministry has told a reporter for the Diplomatic Panorama the international community, including Russia, will back any decision the Yugoslav republics may adopt at a conference the European Community is sponsoring in Brussels.

Belgrade insists that the United Republic of Yugoslavia which emerged to bring together Serbia and Montenegro, be recognized as the legal successor to the Yugoslav Federation.

The Russian diplomat said his country recognized United Yugoslavia [as received] de facto. The Russian Embassy kept operating in Belgrade, he said, and the Yugoslav Embassy kept functioning in Moscow. The two countries neither stopped trading with each other nor broke other kind of economic relations.

As for formal recognition, the diplomat said Moscow would link this issue to the outcome of the international conference in Brussels.

'Balanced View' Taken Toward Yugoslavia

LD3004202192 Moscow ITAR-TASS in English 1905 GMT 30 Apr 92

[By ITAR-TASS correspondent Aleksandr Surikov]

[Text] Helsinki April 30 ITAR-TASS—Yugoslavia continues to be a participant in the European process. Such is the outcome of the debate on the Yugoslav question at a meeting of the senior officials committee of the Conference on Security and Cooperation in Europe (CSCE) that lasted over 24 hours.

This dramatic debate without precident for CSCE was launched by Austria and Hungary who were supported by Slovenia, Croatia and Albania. Russia proceeded from the view that Yugoslavia's expulsion from the European conference would not suit the interests of political settlement in the region. Russia's balanced view was, specifically, supported by a representative of Portugal who spoke on behalf of the 12 member-countries of the European Community. The United States delegate did not insist on Yugoslavia's expulsion.

As of April 30 Bosnia-Hercegovina has a right for an independent participation in meetings of the senior

officials committee and all the subsequent forums of CSCE, even before this decision is endorsed by the Council of Foreign Ministers. Thus virtually all the sides responsible for transformations in Yugoslavia now participate in the European process.

Official Views Troop Withdrawal From Germany

PM0505103692 Moscow ROSSIYSKAYA GAZETA in Russian 5 May 92 p7

[Interview with Aleksandr Temerko, chairman of the Committee for Social Provision for Servicemen, by correspondent Vitaliy Buzuyev; place and date not given: "Aleksandr Temerko: Playing at Soldiers Costs Too Much"]

[Text] No sooner had Russian Federation Supreme Soviet Chairman Ruslan Khasbulatov returned from a trip to Germany, when a Russian delegation headed by his first deputy, Sergey Filatov, set off for that country. It comprises parliamentarians, representatives of the Russian Federation Government, military experts, and journalists. "We are to visit the Western Group of Forces (WGF), which is temporarily stationed in the FRG," our correspondent was told by one of the participants in the visit, Aleksandr Temerko, chairman of the Committee for Social Provision for Servicemen. We asked him a few questions.

[Buzuyev] The intergovernmental agreement with Germany on the time scale for withdrawing the troops was signed by the leaders of the former Union. With the formation of the CIS, the situation regarding the armed forces changed radically. Will this affect the time scale for withdrawal of the WGF?

[Temerko] We are doing everything possible to complete the troop withdrawal on schedule—by 1994. On average some 30 percent of the WGF personnel are being withdrawn each year. However, with the formation of the CIS, additional problems certainly arose in connection, for instance, with the fact that the Baltic countries and Ukraine are demanding hard currency for the passage of troops and military equipment through their territory. The position of the Baltic countries did not surprise us. However, Ukraine's stance is perplexing, to say the least, because that country, together with Byelarus and Russia, was originally defined as an interested party in the operation to withdraw the troops stationed in Germany. Under these circumstances we were forced to bring into operation the port of Rostock-Mukran, but its potential is not unlimited.

[Buzuyev] Keeping our troops in Germany costs a fortune. What are the sources of finance for the WGF military subunits and for the actual withdrawal operation?

[Temerko] The German side has allocated funds of 15 billion German marks [DM]. Of this, DM7.8 billion is compensation for housing construction expenditure. These funds are intended for the construction of 4 million square meters of housing—for approximately 40,000 servicemen. DM0.2 billion is allocated for the training and retraining of servicemen discharged to the reserve, and, lastly, DM7 billion is being channeled into a special transitional fund to pay the expenses of maintaining and withdrawing the troops (DM4 billion has been transferred on a nonrepayable basis, and DM3 billion as interest-free credit which we will have to repay). The fact that these funds are insufficient is another matter. The government of the former Union had already encroached on our "army purse," in part in order to extinguish the foreign debt. Lastly, over the last two years the cost of public utilities and other services has increased in Germany. So additional sources of currency will have to be found.

[Buzuyev] What, for instance?

[Temerko] We are expecting to receive a substantial sum from the sale of WGF property. In all we estimate this—and incidentally we made our estimates by the German method—at DM12 billion. For a long time the Germans were opposed to the idea of opening two accounts: a Russian one and a German one, and wanted the money from the sale of WGF property to go into a single combined account which could not be used by either side until mutual claims had been settled. But only recently this obstacle was removed. The Germans came halfway to meet us and gave us permission to auction the property and channel the funds thus obtained into resolving social problems in Russia.

[Buzuyev] How fast is the construction of housing for servicemen returning home going?

[Temerko] Alas, the picture is not very bright as yet. Primarily because the DM7.8 billion that was released for housing construction was frozen. It is no sin against the truth if I say that this was the fault of the Ukrainian side. Initially, when the Union leaders signed the agreement on the timetable for the troop withdrawal, it was specified that 17 camps were to be built in Ukraine (with one camp for approximately 2,000 families), seven in Russia, and eight in Byelarus. But given that the WGF was taken under Russia's jurisdiction by a decree of President B. Yeltsin, that it is being withdrawn by Russia, and that the greater part of the servicemen—more than 70 percent—are Russians, we proposed the following apportionment. Two camps would be built in Ukraine, 15 in Russia, and seven in Byelarus. Ukraine does not agree with this.

It does not want servicemen billeted there today—there have been plenty of cases where people were lured there, arrived in Ukraine, and then were turned away point-blank, so to speak. But when it comes to housing construction, the Ukrainian leaders demand that we adhere to the figures approved by the government of the former Union. And when Colonel General P. Grachev, leader of the special interdepartmental commission concerned with the full range of WGF problems, had received the go-ahead in principle for our "Russian"

adjustment to the housing construction plan, Ukrainian President Leonid Kravchuk, on a visit to Bonn, stated at official level that he does not recognize that commission and knows nothing about its objectives. Naturally, the reaction followed speedily: The Germans froze the DM7.8 billion that were designated for housing construction. The enormous efforts made by Grachev basically came to nothing. Politicians playing at soldiers costs too much.

[Buzuyev] And what is the solution?

[Temerko] I very much hope that this visit by our delegation, headed by Sergey Filatov, will help to clarify matters. The German side will at last recognize the interdepartmental commission's powers.

[Buzuyev] Aleksandr Viktorovich, Britain's ITN television recently reported that the former Soviet troops leaving Germany are leaving ecologically polluted territories behind them. It went on to report that the German side has filed large material claims against Russia. Is this true?

[Temerko] No claims have been filed officially. But according to information that has filtered through to the press, it is true that a number of Germany's leaders and German parliamentarians think we should pay for the ecologically polluted territories. And an incredible sum has been mentioned—from DM15 billion to 30 billion. We do not agree with that estimate, although we think there is a problem, and we will discuss it in Germany and look for a compromise. We intend to use the services of the American firm ICF, which acted as intermediary in a similar situation when our troops left Hungary.

[Buzuyev] Will the problem of servicemen who have left their subunits and requested asylum in Germany be discussed during your meetings with German leaders? Incidentally, could you tell us how many of these servicemen there are?

[Temerko] I do not think this question will come up. In two years something like 300 men in all have deserted from the WGF. Many of them decided to go back when they realized that here in the FRG nobody wants them and they are unlikely to be able to find their feet. In general the Germans are reluctant to provide information about these men. A lengthy judicial procedure awaits them. The decision takes two to five years. By that time the WGF will have left the FRG completely. Let me note in particular that the Germans are afraid that servicemen may desert en masse. However, this has not happened. The WGF is one of our best military units. Despite the difficulties experienced, the servicemen's morale is quite high.

[Buzuyev] You will still be in Germany on 9 May. No doubt it will be difficult to discuss the problem of our troops' withdrawal on Victory Day.

[Temerko] We are not the only ones leaving Germany today, the Americans, the French, and the British are going too. This is a normal process symbolizing the end of the cold war. Incidentally, on 9 May, Victory Day, or Liberation Day as they call it in Germany, we intend to hold a small parade in Berlin. We hope our presence will be seen by the WGF servicemen as proof that their problems are being dealt with at a very high level. A decree by President B. Yeltsin in connection with the formation of the Russian Armed Forces is also being prepared for that date.

Legislators, German Military Meet

LD0505220492 Moscow ITAR-TASS World Service in Russian 1215 GMT 5 May 92

[By ITAR-TASS correspondent Konstantin Savvin]

[Text] Wuensdorf, 5 May—A delegation of Russian legislators touring the Western Group of Forces [WGF] met with members of the WGF military council and command here today.

Sergey Filatov, the leader of the delegation and Russian Supreme Soviet first deputy chairman, spoke of the problems that the deputies will aim to solve during their WGF tour. These include studying problems with the withdrawal of troops from Germany (which should be completed in 1994) and briefing personnel on the situation in Russia and other CIS countries.

Sergey Filatov told them that the Russian president on 7 May will sign a decree on creating a Russian army and a Russian defense ministry.

Colonel General Matvey Burlakov, WGF commander in chief, and members of the group's military council reported on the WGF's state of affairs and on the military units' tasks.

The delegation then divided into three groups and left to visit WGF military units.

Government Says Honecker Must Leave Country

LD0605094192 Moscow ITAR-TASS in English 0744 GMT 6 May 92

[By ITAR-TASS diplomatic correspondent Sergey Staroselskiy]

[Text] Moscow May 6 ITAR-TASS—The stand of the Russian Government regarding former leader of the GDR Erich Honecker remains unchanged: He should leave the country. Russian Deputy Foreign Minister Boris Kolokolov said this on Wednesday. At the request of ITAR-TASS he commented on a report of the German newspaper "DIE WELT" which asserts with a reference to statements by special envoys of the Chilean president that "the Russian Government does not show the slightest interest in the former leader of the GDR".

Kolokolov recalled that Honecker had arrived in the country at the invitation of the then president of the Soviet Union Mikhail Gorbachev without being issued a

visa and a residence permit. Precisely this circumstance was pointed out to Russian leaders by the German side. In accordance with norms of international law and interstate relations, the Russian Government decided that the former leader of the GDR should leave the country and return to Germany.

But Erich Honecker has no wish to return to Germany, although every condition for this has been ensured for him, Kolokolov noted. Since the end of last year Honecker is staying in the Chilean Embassy in Moscow as the ambassador's guest.

U.S., UK Military Group Assess Volga Units

LD0305110992 Moscow ITAR-TASS World Service in Russian 1035 GMT 2 May 92

[Text] Moscow, 2 May (ITAR-TASS)—As reported today by the Russian Foreign Ministry's information and press department, representatives of the U.S. Armed Forces arrived on 29 April at the 65th Motorized Rifle Training Regiment of the Volga-Urals Military District situated in the town of Samara. They made an appraisal of the information that had been submitted with respect to the armed forces and the plans for the deployment of main armaments and equipment systems. It was carried out in accordance with a request for such an appraisal made by the U.S. Government to the Russian Foreign Ministry on 22 April under the provisions of the 1990 Vienna document of the talks on measures to strengthen trust and security in Europe.

A similar appraisal was made on 30 April by representatives of Britain's Armed Forces at the 391st Rocket Artillery Brigade of the Northwestern Group of Forces situated in the town of Kaliningrad. It was carried out in accordance with a request that the British Government made to the Russian Foreign Ministry on 23 April under the provisions of the 1990 Vienna document of the talks on measures to strengthen trust and security in Europe.

Gaydar Attends Financial Conference in Geneva

LD0105180392 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 25 Apr 92

[Report by F. Seyful-Mulyukov in the "Novosti" newscast; introductory paragraph read by announcer]

[Text] Deputy Prime Minister Gaydar took part in an international conference of financiers in Geneva today. This may be regarded as a certain preamble to Russia's expected membership of the IMF and the receipt of $60 billion of assistance to stabilize the ruble. True, there is again some doubt about such large-scale aid from the West. The IMF and the Bush administration have warned Russia not to deviate from the economic reform program. Yegor Gaydar was evidently asked many questions today.

[Seyful-Mulyukov] Today, in Geneva's Intercontinental Hotel, there was a gathering of the high-ranking Western businessmen, representatives of many corporations, banks, and research centers. The high priests of world economy want to get a first hand look of what is happening in Russia and to ascertain whether financial injections by the West will clear the way for Russia to flourish and be stable.

[Begin Aganbegyan recording] I am convinced that the time is not far off when the ruble is convertible, when the economic situation is stable, when Western investments come to our country. [end recording]

[Seyful-Mulyukov] Naturally, there are optimists and pessimists among business people. But they probably agree about one thing. Russia means a new era for world business. This is one of the ideas behind this meeting in Geneva, and for this reason, the participation in the conference by Yegor Gaydar, Russia's First Deputy Prime Minister, imparted special topicality to the assembly of Western businessmen.

[Begin recording] [Seyful-Mulyukov] Is it your hope that your meeting in Washington with the IMF president and your participation in this Geneva conference will inspire Western big business to help create a market economy in Russia?

[Gaydar] Yes. We all understand that cooperation with international financial organizations is a necessary prerequisite for Russia to receive a serious inflow of direct foreign capital investments. And not only a prerequisite, because we have to go on to provide for all this flow. This conference is a step forward toward our integration. This is an extremely interesting and important process for us. [end recording]

Under Secretary Mulford on Freedom Support Bill

PM0305125392 Moscow IZVESTIYA in Russian 1 May 92 Morning Edition p 6

[Aleksandr Shalnev report: "President G. Bush Promises That the Freedom Support Bill Will Be Adopted Before the Start of B. Yeltsin's Visit to Washington"]

[Text] Washington—Isn't the United States running a huge financial risk by allocating large sums to a political regime whose reform plan does not, to all appearances, enjoy the impressive support of the Russian people?

These and many other questions were raised at Wednesday's [29 April] session of one of the subcommittees of the U.S. Congress' House of Representatives, where intensive hearings began on the government's Freedom Support Bill, which George Bush's administration regards as its main contribution to the process of economic reforms in the former Union. I will remind you that the White House would like to secure congressional approval for this bill before President Boris Yeltsin comes to America on his first state visit in the middle of June.

The hearings in the Subcommittee on International Development, Finance, Trade, and Monetary Policy clearly revealed, it seems to me, two main trends: first, the congressmen's restrained readiness to help Russia and other republics, and second, uncertainty over how effective this aid will be.

According to Subcommittee Chairman Mary Rose Oakar, over the past two and a half months "progress has been noted in realizing the program of reforms, but the political situation as a whole could be characterized, at best, as less stable than at the beginning of the year."

David Mulford, U.S. under secretary of the Treasury, who is considered in the administration as the "architect" of the Russian aid program, partly dispelled the skepticism and partly did not. For example, he did not conceal the administration's concern over events in Russia during the past month, over the fact that the "loud opposition" has forced the Kremlin to resort to a certain easing of its monetary policy. "We remain sure of Yeltsin's team," the under secretary emphasized, "but we are concerned in the event this problem slows up Moscow's development of a program for which it will be possible to obtain IMF money."

Assessing the economic situation in the former Union, D. Mulford pointed out that "a slump of giant proportions is in evidence, a slump considerably more serious than that in America at the time of the depression in the thirties."

But, while admitting this, the under secretary did not agree with Republican Leach's proposal to release Russia from part of its debt, estimated at approximately $60-80 billion. From the viewpoint of the under secretary, "it would be premature to speak of this... The debt is comparatively small. The countries of the former Union have colossal potential for creating hard currency; for example, energy sources."

To judge by the hearings in the House subcommittee, the administration finds it far easier to hold a dialogue with Democrats than with Republicans on the question of aid for Russia. Although the Democrats raise trickier questions, they are clearly inclined to support the Republican administration's initiative. Congressmen from the ruling party are in no hurry at all to show enthusiasm for this initiative.

As party leader, Bush can do a much to make members of his party support his initiative: The arsenal of means which the President has at his disposal for just such instances is truly infinite. But the problem is, as J. Kennedy once pointed out, no particular pressure on the Republicans in Congress can yet be discerned on the part of the administration.

True, it does seem to me that it will be felt within the next few days: The schedule is squeezing Bush, and he has given a public promise that the bill will be adopted before Yeltsin comes, but there is no time left for this. Incidentally, Secretary of State James Baker will once again head for Capitol Hill on Thursday with the task of working on the legislators.

News Conference Held on Kozyrev's U.S. Visit

LD0605110592 Moscow Mayak Radio Network in Russian 1530 GMT 5 May 92

[Text] The recent visit to Washington by a Russian government delegation continues to be at the center of attention. A news conference in Moscow today was devoted to the results of this trip. The conference included Konstantin Kagalovskiy, an economic adviser to the Russian Government, and Andrey Vavilov, first deputy minister of finances of Russia, took place in Moscow.

This meeting with the press was devoted to the results of the Russian delegation's trip to Washington, where the latest meeting of the finance ministers of the seven leading countries of the West and the spring session of the IMF took place. I remind you that at this meeting Russia, together with other republics of the former Soviet Union, was accepted as a member of the IMF and the World Bank.

Russia's representatives once again outlined in detail the individual classes of expenditure on which the $24 billion, which the Russian Government is counting on this year, will be spent.

I will remark at once that this money isn't really there yet. It's allocation is connected with the result of a whole range of talks with both the IMF and its individual member states.

Well, what does this amount include?

So then: $6 billion is the ruble stabilization fund; $4.5 billion are deposits in international financial organizations; $11 billion are bilateral credits; and approximately $2.6 billion is the deferment of payments at interest rates which had accumulated on previously granted credits.

At the news conference this latter fact, which markedly alleviates Russia's hard currency situation this year, was especially noted.

In addition, Russia's representatives reported that on 1 July, a single ruble-dollar exchange rate will be introduced. In this way, a certain investment rate mentioned a few weeks ago will not be introduced. This rate was designed, or rather it was planned, to be used for settlements in foreign capital investments. As a result of the exchange rate to be announced, there will not be such a rate, which is quite logical inasmuch as such a solution makes it possible to avoid the risk of shady manipulations with two different rates. In our country, of all countries, this risk is especially great.

By the way, as we are on the subject of foreign investments, I'll quote one interesting assessment of their prospects. According to a NEW YORK TIMES report,

U.S. companies believe that for the time being it is too risky to invest money in the Commonwealth and they have called on the U.S. Government to increase federal guarantees several times - these will make it possible to cover possible losses. As a result, for the time being, no one is especially in a hurry to buy us up.

'Ballyhoo' Over Industrial Espionage Viewed

PM0505100992 Moscow IZVESTIYA in Russian 5 May 92 Morning Edition p 5

[Reports by Aleksandr Shalnev and Yuriy Kovalenko in Washington and Paris, respectively, and a commentary by Yuriy Kobaladze, leader of the Russian Foreign Intelligence Service Press Bureau, under the general heading: "CIA Director Claims That Russian Intelligence Service Is Operating Behind Russian Leadership's Back"—first paragraph is introduction]

[Text] The ballyhoo over Russian intelligence operations continues unabated in the West. CIA Director Robert Gates and a French special service investigator spoke about this almost simultaneously. Here are our correspondents' reports:

Washington—At least 20 countries, including Russia, are actively engaged in economic espionage against the United States, and the CIA sees it as one of its most important tasks to defend the U.S. economy "from those who don't play by the rules."

CIA Director Robert Gates said this during congressional hearings. According to him, the craving for economic and technological secrets is a characteristic feature of a "world in which national might and national security are determined to an ever-increasing degree by the state of the economy."

"The number of intelligence services capable of carrying out sophisticated, complex operations of this kind has increased. According to the CIA director's information, the Third World alone has 50 intelligence services with the advantage of having been trained by Eastern bloc intelligence services in the past."

As for Russia, Gates said: "Technological information-gathering was always one of the KGB's highest priorities in the old Union. To a certain extent that is still the case... We think that most of the operations under way now are a continuation of operations begun before the putsch of August 1991. The motives for these operations are not clear: Are they being continued through bureaucratic inertia, and does the political leadership in Moscow know about them at all?"

The CIA director does not rule out the idea that the political leadership has no knowledge of these operations at all.

Congressman Hamilton Fish, a Republican from New York, suggested to Gates what he considers to be an appropriate means of containing the intelligence threat from Russia. "We are being asked to provide generous aid," he recalled, "in order to stabilize the economic and political situation in the former Union. Why not use this as a lever to put an end to the economic espionage?"

Gates' answer was not clear enough for us to see whether the CIA director is "for" or "against" this initiative. I would be surprised were he against.

Paris—Jean-Pierre Getty and the French special services—the Directorate for Territorial Oversight—are continuing the investigation into the activity of a network of agents in Belgium and France that people here think was set up by the KGB.

Roland Jacquard, a well-known French journalist specializing in espionage questions, claimed in LE FIGARO that the investigator saw for himself that the KGB and then Russia's Foreign Intelligence Service [FIS] targeted various European projects in the field of state-of-the-art technology, in particular Eureka, Esprit, etc. The spy network made up of Belgian and French citizens also tried to get information about the European spaceship Hermes and the Ariane rocket.

R. Jacquard reports that an agent was detected during the Directorate for Territorial Oversight's last operation hand in hand with the Belgian counterintelligence service. He had infiltrated the Aerospace Research and Development Organization in Paris, which has links with NATO. This organization employs consultants coordinating space research activity. The Soviet spy was tasked with gathering information about the Ariane rocket and its fuel.

Continuing their investigations, the Belgian and French special services discovered that the KGB and then the FIS intended to organize a pan-European scientific and technical information-gathering network. Soviet agents created information-gathering structures in Holland with a view to infiltrating Philips and Thomson. A diskette found by police carried the names of more than 200 high-ranking EC staffers engaged in scientific studies.

According to Roland Jacquard, the Belgian agent working for the USSR recruited informants in various European countries without telling them for whom they would be working.

R. Jacquard thinks that the Soviet spy network had sizable financial resources at its disposal. However, after the August putsch KGB agents began to pocket some of the money that the Kremlin had allocated for intelligence purposes. Thus two Soviet intelligence officers expelled from Belgium will appear in court in Moscow on swindling charges, the French journalist claims.

Despite the successful operation in Brussels and Paris, R. Jacquard continues, the European special services have no intention of resting on their laurels. Certain branches of the spy network have not yet been unraveled and certain "illegal agents" have not yet been unmasked.

According to LE FIGARO, these agents came under the jurisdiction of the former KGB's "S" Directorate and are now working for the Russian intelligence service.

The Directorate for Territorial Oversight states that there has been no letup in the volume of underground radio transmissions from France to the CIS. Specialists reckon that this means that the "illegals" are working as vigorously as they were "during the good old days."

LE FIGARO gives the Directorate for Territorial Oversight credit for having responded rapidly to the unexpected increase in Russian intelligence activity. Since October 1991 roughly 10 former KGB spies have been detected and arrested by the French special services. These unwanted visitors were then deported from the country without unnecessary fuss.

...How accurate is Roland Jacquard's information? I would remind you that four years ago local special services arrested several Frenchmen, along with Soviet citizen Lyudmila Varigina, for trying to get their hands on the secrets of the Ariane rocket. However, it did not prove possible to find proof that the "spies" named by the press were privy to the secrets of Ariane. All the defendants, including Lyudmila Varigina and her husband Pierre Verdye, were released and the case was dismissed for lack of evidence of commission of a crime. [Kovalenko report ends]

The statements by representatives of the Western intelligence services do not surprise me. In my view, they aimed to use economic pressure to compel the Russian Government to drastically reduce or stop altogether our intelligence service's activity in the West. This is at a time when the United States, for instance, is still spending roughly $30 billion per year on intelligence and is by no means cutting its agents' work against Russia.

It is strange that R. Gates hinted that the Russian intelligence service is autonomous from the political leadership. As a professional he is perfectly well aware that the intelligence service—be it Russian or American—cannot inform the president about all operations. Only the most important operations are reported. By and large in the Russian intelligence service we base our work on national interests and are constantly under the supervision of the country's political leadership, carrying out its instructions as regards cutting the personnel of the central apparatus and our presence abroad to the level of reasonable sufficiency.

As for industrial espionage or so-called scientific and technical intelligence, I must say that many of R. Jacquard's sensational revelations have indeed proved false. Incidentally, France itself has not abandoned industrial espionage. THE NEW YORK TIMES wrote in this connection: "For a long time France has been one of the most aggressive countries in extracting U.S. industrial and technological secrets. The French come within our purview more often than anyone else, a U.S. counterintelligence staffer said."

St Petersburg Mayor Sobchak Visits New York

LD0105190992 Moscow ITAR-TASS World Service in Russian 2245 30 Apr 92

[By ITAR-TASS correspondents Aleksey Agureyev and Yuriy Kirilchenko]

[Text] New York, 1 May—An agreement of intent to cooperate in modernizing and expanding the seaport of St. Petersburg was signed here on Thursday by Mayor Anatoliy Sobchak and Richard Leone, chairman of the Port Authority of New York and New Jersey. "The Soviet Union used to have several ports in the Baltic Sea. Now we must compensate for Russia's loss of these ports in two or three years. This means that during this period we need to double and treble the capacity of the port of St. Petersburg," A. Sobchak stated when signing the agreement of intent.

Later that day, in a speech at the Association of New York Lawyers, the mayor of St. Petersburg stressed the urgent need to attract foreign investment to Russia. "Today two things stand in the way—political risk and legal uncertainty," he stated. "Many laws has already been adopted on the protection of foreign investments, on conditions for establishing and running joint enterprises, and also on enterprises funded by 100 percent foreign capital. Nevertheless, if we truly want to integrate our economy into the world's, we need many laws in the near future that clearly and distinctly define conditions for foreign firms and entrepreneurs in Russia. These laws have already been drawn up and should be passed in the near future."

At the same time, the speech recommended that Western businessmen change their approach to Russia. "It is better not to employ the traditional forms of business that you once used with the Soviet Union," Sobchak emphasized. "For example, I still cannot understand why bankers and entrepreneurs from most countries persist in dealing with the Soviet Bank for Foreign Economic Activity. Branches of U.S. banks or joint banks ought to have been opened long ago—our legislation permits this. Then we would not have the problem of freezing funds, and all transactions could be conducted through banks that commad confidence and work on the basis of relations that are universally recognized in the business world.

"Regarding for old debts: Invest money in economic development, revive the Russian economy in a few years to make it efficient, and then you will get your money back. We will then be able to pay our debts in full. The longer that Western countries regard cooperation with Russia as humanitarian aid, the longer they will go without getting their debts repaid."

Earlier, the National Democratic Institute for International Affairs presented A. Sobchak with the Averell Harriman award for his outstanding contribution to strengthening democracy in Russia. The mayor of St.

Petersburg left New York for Washington, where meetings with the leadership of the U.S. Congress are planned.

Political Parties Ask U.S. for Embassy Building

LD0505045692 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2005 GMT 4 May 92

[From the "Novosti" newscast]

[Text] Leaders of the three major Russian parties—the Democrats, the Social Democrats, and the Free Russia Party—have asked the United States to give them the unfinished U.S. Embassy building in Moscow as a gift. The parties are complaining that they cannot lease buildings in the capital because it is too expensive.

According to NEZAVISIMAYA GAZETA, the parties have already tried to get buildings free of charge, but nothing ever came of it. Although President Yeltsin has issued at least four decrees on handing over former CPSU buildings to Democrats, it turns out that all these buildings had already been occupied by various firms and joint ventures.

Impact of California Riots on U.S. Aid Viewed

MK0505084092 Moscow KURANTY in Russian 5 May 92 p 3

[Commentary by Mikhail Shchipanov: "Los Angeles Destroyed, Russia Remembered"]

[Text] Paraphrasing Pushkin you could say: God forbid that we should see a senseless and ruthless Afro-American rebellion. The United States has not experienced such bloody actions by its dark-skinned sons since the 1960's: around 40 people killed, large numbers wounded, hundreds of arson cases, stores wrecked and looted, and even trees chopped down. The stated reason for the riot rocking Los Angeles was a jury decision to acquit four white policemen who beat up King, a "crooked" black man, a year ago. It would be naive to assume, however, that all this trouble immediately arose as a result of a legal case.

Indignation has long been simmering in "black" neighborhoods because the social programs cut back under Reagan were and remain the most important source of existence for thousands of Afro-Americans. It was no coincidence that as soon as the shooting began on the streets of Los Angeles, black leaders immediately—as though they had long been preparing for this—and loudly proclaimed the need to reduce to a minimum U.S. aid to foreign countries, primarily Russia. The arguments of the leaders of the U.S. ethnic minorities are well known: In America, they say, there are plenty of impoverished and socially unprotected people, but the country's resources are being squandered on foreign aid instead of benefiting its own citizens who are experiencing hard times.

Russia has just recently become the source of particular irritation. This is evidently connected with the recent visit by Ye. Gaydar, our country's admission to the IMF, and the endless debates about granting Moscow aid worth the substantial sum of $24 billion. In a word, the court's decision was simply the straw that broke the back of the patience of the American lumpen masses who are sick and tired of big-time politics, a costly commodity. There is no doubt that the riots in Los Angeles will strengthen the positions of the isolationists who believe that America has its own problems. The Los Angeles riots constitute a bad background for the hearings on the allocation of promised credits to Russia, which have just begun in the U.S. Congress. Secretary of State Baker has spoken in Russia's defense, but he is an official, whereas congressmen are concerned about their own reelection, and this year they are particularly sensitive to the voice of the people. Indeed President Bush himself, one must assume, is seriously worried by the latest events that strengthen the chances of his rival, Clinton. Therefore, the policemen's quarrel with a "criminal" may be transformed into a serious international cataclysm that questions the reputation of the United States.

'De Facto' Relations With Cuban Opposition

PM0605100792 Moscow IZVESTIYA in Russian 5 May 92 Morning Edition p 5

[Yevgeniy Bay and Andrey Kamorin report: "Cuban Dissidents Received in Moscow, While Training of Castro's Thugs Continues on Russian Territory"]

[Text] Over the recent holidays the "Ostankino" television company and the Russian channel have put out a whole series of programs which Havana will clearly interpret as at best, unfriendly.

On Friday morning Russian television showed an almost one-and-a-half-hour-long documentary entitled "Nobody Was Listening," by the Cuban dissident director Jorge Ulloa, which showed the realm of terror which we once called the "Island of Freedom" in a very accessible and, I think, shocking form for the Soviet viewer.

An item about a visit to Moscow by a group of prominent Cuban oppositionists and their meetings with fellow countrymen permanently resident in Russia was shown Saturday on the "Center" program.

On Sunday, the "Panorama" program recounted what the "other Cuba"—the Cuban opposition in exile—is like.

The broadcast of these programs was directly linked to the international conference entitled "Russia and Cuba: From Totalitarianism to Democracy," which was held at the end of April in the International Trade Center in Moscow. Such prominent leaders of the Cuban opposition in exile as the writer Carlos Alberto Montaner, Carlos Franqui, former comandante of the revolutionary struggle in the Sierra Maestra, and Ricardo Bofill, president of the Cuban Committee for the Defense of

Human Rights, participated. Even before the start of the conference its participants met with official representatives of the Russian Government and parliament and the Russian Ministry of Foreign Affairs, and were also received at the IZVESTIYA editorial office. If earlier contacts between the Russian authorities and the Cuban opposition leaders were of an ad hoc nature, you can now say that relations between the two sides have been established de facto. Official relations with Havana, which no one has suspended, and the demarches of the Cuban Embassy in Moscow will obviously no longer be able to influence these contacts.

The desirability of dialogue with the "other Cuba" was discussed both during the meeting of Cuban defenders of rights with State Secretary G. Burbulis and during the conversation at the White House organized by A. Surkov, member of Russian Supreme Soviet Committee on International Affairs. However, the discussion went further than placing on record the fact that Russia intends to listen to all parties involved in a conflict which has lasted for more than 30 years now. The Russian state secretary, for example, stated that his government was ready to assist the Cuban opposition to free a number of political prisoners in Cuba. An agreement was reached that the Russian Ministry of Foreign Affairs Human Rights Administration will provide information to the government on prisoners of conscience in Cuba.

However, both the conference itself and the conversations in Moscow raised more questions than they provided answers. Although the question of abolishing subsidies to the Castro regime has in principle been resolved, a whole complex of military-political relations continues to link the two countries. The Soviet military brigade still remains in Cuba, albeit now in a much reduced form, and the talks about its final withdrawal are practically paralyzed. A Soviet submarine base is still operating at the port of Cienfuegos, and in the small town of Lourdes, there is an electronic space tracking station served by a huge number of military specialists from Russia.

Finally, as "Radio Liberty" reported the other day, officers from Castro's secret services are continuing to undergo training on Russian territory.

In recent months, thanks to the energetic action of a number of deputies, the Russian parliament has finally adopted a more or less clear position which was first presented at parliamentary hearings in February, and later in Geneva at a session of the UN Human Rights Commission in March.

As we know, Russia has condemned the massive human rights violations in Cuba. By maintaining contacts with the Cuban military and secret services, the Russian authorities are essentially discrediting the emerging course of rejecting support for totalitarian regimes.

Controversy Over Rocket Technology for India

LD0605224792 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2000 GMT 6 May 92

[From the "Novosti" newscast]

[Text] There has been an unexpected complication in relations between the U.S., Russia, and India. This happened after the statement by Russian Secretary of State Burbulis that Russia intends to fulfil its promise to provide India with the rocket equipment it needs. President Bush, in turn, has made it clear that the United States will punish India and Russia by refusing them the economic aid they need.

Let me remind you what this matter is about. At the beginning of 1991, India concluded an agreement with Moscow to provide cryogenic rocket engines. Before reaching an agreement with Moscow, India applied to the British, the French, and the Americans, but at first they refused and then demanded such a high price—the United States for example demanded $800 million—that India chose Moscow, which asked only $200 million for an engine. [video shows archive footage of rockets]

It would seem that the issue is clear, is settled. The country offering the commodity at the lowest price won out against the competition. Here, however, they remembered that a rocket is a rocket and can be used not only for peaceful ends, but for military ones, too. This was the very argument that the defeated Americans decided to use to disrupt the rocket deal between Russia and India. Washington maintains that by this deal Russia is violating the regime controlling rocket equipment. Moscow's reply is that there have been no violations and that the best way to investigate this issue is for independent international experts to examine it. In short, the agreement concluded with India will be fulfilled.

[Begin Burbulis recording] Repeated, numerous, and exhaustive explanations have forced us to formulate what is, in my view, the most appropriate and favorable decision. Let neutral, international experts once more evaluate this deal in accordance with all the standards of international law, and then proffer their judgment, which for our part, we will try to accept in the proper fashion. [end recording]

Delivery to India 'Censured'

OW0705123292 Moscow INTERFAX in English 1158 GMT 7 May 92

[From "Diplomatic Panorama" feature; transmitted via KYODO]

[Text] A credible source in the Russian Foreign Ministry has censured the position of those who are advocating the delivery of missile engines to India. International law bans such deliveries. His ministry felt, he told a reporter

for the Diplomatic Panorama, that no bilateral agreement could contradict the signatories' previous commitments and international law.

If Russia was really going to join the Missile Technology Control Regime, he said, it must bring its relations with other countries to conformity with the Regime's regulations.

The diplomat accused the national space administration, Glavkosmos, of attempts to lobby the deal with India in the national Parliament and through certain media editions.

Rejecting Glavkosmos' allegation that his Ministry was playing toady to the United States, the diplomat argued his Ministry had adopted a tough line for the sake of the national interests. But, he stressed, if Russia was, indeed, willing to join the gentlemen's club, it should take into account how the United States and a few other countries felt about the deal with India and respect its commitments under international law.

Results of Burbulis' Visit to India Reviewed

PM0605150192 Moscow IZVESTIYA in Russian 6 May 92 Morning Edition p 6

[Report by Vasiliy Kononenko and Nikolay Paklin: "Trade Between Russia and India Emerging from Impasse"]

[Text] Delhi-Bombay—It is not at the moment known what exactly was in B.N. Yeltsin's personal message that Russian State Secretary Gennadiy Burbulis delivered to Indian Prime Minister Narasimha Rao. It is, however, possible to make a guess as to what this message's meaning was.

The state secretary made a firm commitment to his Indian partners in the Delhi negotiations: The Russian leadership is absolutely resolute that it will reestablish the ties between Russia and India that have recently been undermined. In his conversation with us, he also reported that B. Yeltsin will come to Delhi in November-December. People here expect that in the course of this visit by the Russian president a treaty on friendship and cooperation will be signed.

The final part of the Russian delegation's visit involved studying the practice of private enterprise in India and searching for ways to stimulate contact between business people in the two countries. While discussing global issues concerning reestablishing Russo-Indian ties, the sides finally arrived at the firm opinion that there are fewer and fewer opportunities for two-way trade at the state level. Consequently, it is necessary to actively involve private capital in this process. It is difficult to do this when the rupee is partially convertible and the ruble is not.

The Indian press as a whole highly appraised the results of the Russian delegation's visit, drawing attention to its pragmatic approach to resolving complex problems. In the course of his meetings with Indian leaders, the state secretary, it seems, convinced his partners that India is strategically important for for Russia and that Moscow will make efforts to ensures that bilateral relations will be stable. In this connection, the Indian head of state said that relations with the former USSR were always interpreted in Delhi first and foremost as relations with Russia.

At the Delhi talks, they succeeded in partially unraveling a mass of economic problems, including the key question of India's debt to the former USSR. The Indian Reserve Bank decided to grant Russia technical credit of 2.5 billion rupees. We are buying tea, coffee, spices, and cigarettes for this money. In return, Russia has agreed to reduce duties for its exporters to India in order to induce them to supply goods for the Indian market.

The signing of an agreement on trade and economic cooperation between our two countries for a period of five years will also facilitate the development of trade between Russia and India. The sides have decided to grant each other most-favored-nation status.

Realism has been shown in the matter of military cooperation. In recent times people have been saying in India that Russia is indirectly lowering the Indian Army's combat effectiveness by not supplying spare parts for the combat hardware which we have delivered. Now this obstacle has basically been removed. The Russian military industrial complex, which is suffering from a lack of orders, is getting support from the Russian Government to orient its production toward the Indian market.

Shokhin Visits Beijing, Praises Relations

LD0505122292 Moscow ITAR-TASS World Service in Russian 1055 GMT 5 May 92

[by ITAR-TASS correspondent Vladimir Fedoruk]

[Text] Beijing, 5 May—The Russian delegation's visit to the PRC was described as fruitful by delegation head Aleksandr Shokhin, deputy chairman of the government and Russian Federation minister of labor and employment. The delegation ended its two-day visit to Beijing today.

We have managed to stimulate the activity of the Russian-Chinese bilateral intergovernmental commission, coordinate the texts of a whole series of agreements in the social and labor sphere, and sign a protocol on trade and economic cooperation, A. Shokhin told the ITAR-TASS correspondent in an interview before leaving the Chinese capital. He had high praise for the prospects concerning the development of relations between the Russian Federation and China. The Russian Federation minister emphasized: Our countries are advancing in the same direction along the path of economic reforms.

The Russian delegation has left Beijing for Seoul.

Arrives in Seoul for Economic Talks

LD0505202192 Moscow ITAR-TASS in English 1946 GMT 5 May 92

[By ITAR-TASS correspondent Ivan Zakharchenko]

[Text] Seoul May 5 TASS—Deputy Russian Government Chairman and Minister of Labor and Employment Aleksandr Shokhin arrived here today to discuss aspects of development of Russian-South Korean relations, primarily those in the economic sphere.

An aim of the trip is preparations for the Russian president's South Korean visit in September.

During his Seoul stay, the Russian official will be received by President No Tae-u, Foreign Minister Yi Sang-ok, and Deputy Premier Minister and Minister of Economic Planning Choe Kak-kyu to discuss in particular the activities of the Russian-South Korean Commission on Trade, Economic, Scientific and Technical Cooperation created on the basis of a similar body previously set up by South Korea and the former Soviet Union.

A special item on the agenda will be credit relations between the Russian Federation and South Korea, Shokhin told ITAR-TASS. These are the three billion dollar credits, which South Korea promised to give the former Soviet Union.

The sides will have to agree on the way of settling the issue of Russian debt obligations both on already received credits and on the rest of them. In case they reach an agreement on this issue, the sides may sign corresponding documents, said the deputy Russian government chairman.

In the words of Shokhin, Russia is ready to guarantee the payment of 61 percent of the credit, proceeding from obligations on "solidary responsibility" for the foreign debt between the CIS republics. However, this does not mean the Korean side may have problems.

"The solidary responsibility" means other republics will pay the debt, which one of the former Soviet republics fails to pay, and then settle the matter between them.

"Despite the acute need for credits, it is most important for Russia to settle relations on already taken obligations, that is actually obligations of the former Soviet Union," stressed Shokhin.

Rutskoy Comments on Mideast Tour, PRAVDA

PM0505110192 Moscow PRAVDA in Russian 5 May 92 p 3

[Interview with Vice President Aleksandr Rutskoy by correspondent Vladimir Belyakov in Cairo; date not given: "Aleksandr Rutskoy: 'People Want To Lead a Decent Life and PRAVDA Must Promote This'"—first paragraph is PRAVDA introduction]

[Text] Russian Vice President Aleksandr Rutskoy has made a trip to Israel and Egypt. Before flying from Cairo to Moscow, he answered questions put by PRAVDA correspondent Vladimir Belyakov.

[Belyakov] Aleksandr Vladimirovich, what tasks were addressed during your trip, and to what extent were they resolved?

[Rutskoy] The task was simple: to evaluate the realities, to see what is happening in these countries and what kind of relations we are developing....

[Belyakov] Were any specific documents signed?

[Rutskoy] Yes. In Israel, the prime minister and I signed a memorandum on cooperation in agriculture and the agrarian industry, and also in building desalination plants involving the use of nuclear energy. An agreement was signed between Israeli and Russian entrepreneurs—a group of our entrepreneurs was with me—on cooperation in commerce. Here, in Egypt, an agreement was signed on cooperation in new technologies.

[Belyakov] A trip to Port Said took up almost half of your two-day stay in Egypt....

[Rutskoy] First, Port Said is twinned with Volgograd. I wanted to learn from that city's leaders about the development of relations with the people of Volgograd and about their problems. Second, I really wanted to visit the graves of the Russian sailors who died in 1917 and pay military honors to them.

(Let us explain to readers that 27 Russian sailors from the cruiser Peresvet lie in Port Said's Greek Orthodox cemetery—PRAVDA wrote about this 27 March 1990).

You PRAVDA employees did a fine thing. You found the names of the sailors, which made it possible to install a new memorial plaque (the initiative for renewing the memorial came from our correspondent in Cairo). I must thank both you and our embassy for the fact that the sailors' graves are now in a good condition.

But if we take a broader view of this.... Some people say that culture in our country is subsidized. In my opinion, our conscience has long been subsidized. Yesterday, the television news program showed a feature on the privatization of the Borodino battlefield. It said that a forest that could remember the 1812 battle had been cut down. A pigsty had been built beside an artillery battery. What can you say about this? Russia cannot be revived, ideologically and morally, unless we remember our roots. Konchalovskiy's words ring true: "Where a sense of sin and conscience is lacking, force alone can rule." I really do not want this. I would like people to acquire a sense of wrongdoing, a sense of conscience, and a sense of respect for their own motherland.

[Belyakov] Your interview will appear 5 May, the day of PRAVDA's 80th anniversary. What would you like to say to the newspaper and its readers?

[Rutskoy] Yours is a historic newspaper, it has done a great deal of good. The world reads it. What happened just recently with PRAVDA—its closure, its persecution in the name of democracy.... Certain leaders simply confused democracy with dictatorship. I often say: It is not views that a politician must change but reality. That old reality, under which there was censorship and surveillance, is what we must change; we must not close down newspapers. You must learn to listen to what people say to you, go over carefully what they write, and draw the appropriate conclusions. I would like to wish PRAVDA readers faith in themselves, because today it is possible to have faith only in yourself and in the history of your motherland. What is happening in Russia now is, I believe, a temporary phenomenon. The present crisis cannot be allowed to continue for long. As for my wish for the newspaper.... People want to lead a decent life, and PRAVDA should promote that.

Potential Threat by 'Islamic Extremism' Noted

PM0105152392 Moscow KRASNAYA ZVEZDA in Russian 21 Apr 92 p 3

[Article by Candidate of Military Sciences Colonel S. Pechorov and Candidate of Philosophical Sciences Lieutenant Colonel Yu. Tegin: "Islamic Extremism: A New Challenge for Russia?"—first paragraph is KRASNAYA ZVEZDA introduction]

[Excerpts] In the 9 April issue of KRASNAYA ZVEZDA we published an article on the subject of the new geopolitical realities: the appearance of Muslim states on CIS territory. Today we bring to your attention an article by Russian scientists about the danger caused by the spread of Islamic extremism. They explain the seriousness of the threat it poses to Russia and what we should do to meet this new challenge. [passage omitted]

Used as an instrument of policy by some destructive forces, Islamic extremism has considerable potential for destabilizing the domestic political situation and disrupting international relations. The Muslim spiritual culture, which is being rapidly revived, is trying to fill the vacuum left by the self-imposed liquidation of communist ideology, which had held together the community of Soviet republics, among others, for so long. It is no secret that the most active representatives of Islam—Muslim extremists—are trying to play on the fact that the peoples of Central Asia and Azerbaijan have a cultural and historical affinity with the Muslim world.

It is important to understand, however, that increased activity by the Islamic extremism exported to the southern republics of the former USSR will not only have very negative consequences for the population of these now independent states, but it will also have a direct impact on their relations with Russia, which is still linked to them by close economic and political ties. Stirring up religious intolerance and nationalism—phenomena which accompany extremist acts by representatives of any creed—in the crisis-ridden Muslim republics of the former USSR could lead to massive unrest based on ethnic and religious grounds, greater chaos in the economy, declining living standards, and, as a result, the assumption of power by authoritarian regimes.

In this case, the greatest danger from the point of view of Russia's national interests will be that forces eager to exploit the surge of discontent among the masses for the purpose of blackmailing "imperial Russia" and taking violent action against Russians living outside its borders could move to the forefront of the political struggle. Considering the fairly large number of Muslims living in the Russian Federation itself, the political practice of Islamic extremism could, in the near future, become a factor contributing to the emergence of acute interethnic and territorial conflicts and the disintegration and regionalization of Russia along ethnic and religious lines.

From the point of view of Russia's geostrategic position, one consequence of Islamic extremism's becoming more active in the south could be that zones of armed conflict will broaden and shift, and new hotbeds of military danger will arise in the immediate vicinity of Russia's borders. This will be aggravated by the loss of elementary possibilities to monitor the development of regional crisis situations and by the chaotic arms race in neighboring Muslim states. All this could serve as a precondition for the formation of Islamic-based coalitions of countries unfriendly to Russia, whose military potential (numerically at least) is already comparable to that of NATO.

Attempts by several of the former Soviet Union's southern neighbors to fill the vacuum left by its collapse could force Russia into the position of being a buffer between Asia and Europe. In practical terms, this would mean "openly hostile" encirclement to the south and, at best, "indifferent" neighbors to the west.

Summing up, we must bear in mind that the phenomenon of Islamic extremism is long established and international in nature, has an objective social basis of regeneration, and, at best, can only be partially neutralized. At the same time, we should also be clearly aware that there are no historical preconditions or objective reasons for the development of lasting anti-Russian feeling in the Muslim world, which, contrary to appearances, is certainly not wholly infected with extremism.

Therefore, in order to safeguard Russia's national interests and neutralize the threat of Islamic extremism, we should probably slightly adjust the tenor of Russia's present foreign policy. In other words, when drawing up our foreign policy toward Muslim countries, it would be right to avoid literally transferring European standards and stereotypes. More specifically, this could be helped by galvanizing the efforts of Russian diplomacy in the Near East settlement process and taking a balanced approach to working out the solutions possible within its framework. In our opinion, this will not only enhance our state's prestige in the Muslim world, but it will also

be conducive to the participants in this process and other interested parties taking a stand more favorable to Russia; particularly in connection with possible crisis events, within the CIS itself, for example.

Federation Affairs

Shakhray Tenders Resignation As Legal Advisor

OW0705094892 Moscow INTERFAX in English 0937 GMT 7 May 92

[Transmitted via KYODO]

[Text] According to reliable sources, the legal advisor of the Russian head of state Sergey Shakhray has handed an application to President Yeltsin for his annual leave and resignation after it. The request is expected to be accepted.

Mr. Shakhray, 36, became the legal advisor under a presidential decree of July 19, 1991. His main duty was to interact with the Russian parliament. Between December 1991 and April 1992 he was also Vice-Premier and resigned from the post just before the 6th Congress of People's Deputies. At the congress acting as a personal representative of the president Mr.Shakhray, according to the source, "waged a tiring struggle against the opponents to reforms".

Analysts account the resignation application to the extreme physical and moral [as received] exhaustion of the legal advisor who has not been on leave since 1986.

'Differences' Regarding Reform Cited

LD0705114992 Moscow ITAR-TASS World Service in Russian 1112 GMT 7 May 92

[By ITAR-TASS correspondent Sergey Podyapolskiy]

[Text] Moscow, 7 May (ITAR-TASS)—The decision of Sergey Shakhray, state councillor of the Russian Federation for legal policy, to resign from the post he occupies does not mean that he is going over to the opposition of Russia's president. As reported to the ITAR-TASS correspondent by Shakhray himself, he is prepared "to help the president and his team, and not on the basis of an appointment".

Konstantin Yeliseyev, the state councillor's press secretary, reported to the ITAR-TASS correspondent that in the future "the possibility of Sergey Shakhray undertaking an attempt to conduct an independent policy and being engaged in practical juridical and law-defending activity is not to be excluded".

According to those around him, the reasons for Sergey Shakhray tendering his resignation are indicated as differences among the president's closest staff regarding issues relating to the assessment of the political situation in Russia, and to the future reform strategy.

Yeltsin Replaces Pskov District Administrator

OW0605213892 Moscow BALTFAX in English 1852 GMT 6 May 92

[Transmitted via KYODO]

[Text] The Russian president, Boris Yeltsin, has ordered the dismissal of the deputy administrator in Pskov district, Mr. Yevgeniy Kabakov.

The presidential decree explains Mr. Kabakov's removal by "numerous and grave abuses" of the Russian free enterprise and anti-monopoly legislation as well as of government regulations for trade with the Baltic republics, export-import licensing and quotas, and other Russian laws.

Gaydar Request on Tatarstan Defenses Not Honored

LD0605221692 Moscow POSTFACTUM in English 0958 GMT 6 May 92

[From the "Domestic Market" section]

[Text] Kazan—According to some information, the Ministries of Economy and Industry of Russian Federation failed to honor a request of Vice-Premier Yegor Gaydar, concerning the enterprises of Tatarstan military-industrial complex. According to the information received by PF [POSTFACTUM], the request has been signed by the Russian vice-premier, on March 6, advising the above-mentioned institutions, in particular, to finalize the preparation of the state order for the defence enterprises in Tatarstan concerning the production and shipment of arms and military equipment for 1992 and to bring this information to the executors' notice, by March 16. Nevertheless, according to an official from the State Committee on Economy of Tatarstan Republic, so far, none of the enterprises of the republican military-industrial complex [MIC] has received state orders.

According to the information from the same source, 6 out of 14 enterprises of the MIC, subject to conversion in the first place, have already drawn up their conversion programs to be submitted to the respective departments of the Russian Government. The contents of these programs, in particular, should lay the ground of the second tour of negotiations on conversion between the governmental commission of Russian Federation and Tatarstan Republic. The exact date of resuming negotiations has not yet been set.

Gaydar Urges Settlement of Fuel Price Issue

LD0605115492 Moscow Programma Radio Odin Network in Russian 0800 GMT 6 May 92

[Text] Speaking at a session of the Russian Government, First Vice Prime Minister Yegor Gaydar said that the fuel price issue must be sorted out by 10 May. The ceilings for oil and gas prices have already been set. The proposed retail price for AI-95 extra petrol, including the

value-added tax, will be 9.10 rubles per liter; AI-93 will be 7.80 rubles; A76 will cost 6.80 rubles. The proposed retail price for diesel fuel is 6 rubles per liter.

Adviser on Rejection of Own Currency Idea

OW0605172192 Moscow INTERFAX in English 1602 GMT 6 May 92

[Transmitted via KYODO]

[Text] "The International Monetary Fund [IMF] never dictates its terms, it only recommends. And Boris Yeltsin's statement that Russian would not live listening to dictation of the IMF means that our president has a good knowledge of the nature and forms of work that organization. We are seeking equitable and mutually beneficial relations," said Russian government economic advisor Konstantin Kagalovsky in an interview with IF's [INTERFAX] Yevgeny Terekhov. He said that the non-compliance with the recommendations is not fraught with sanctions. "If we pursue an coonomic policy the international community believes is wrong, no one will punish us, but no one will encourage this policy by giving financial aid. And this is just," emphasized Kagalovsky.

The advisor emphasized that nearly all the former USSR members states have declared their intention to introduce their own currency. Ukraine, for one, even made a number of experiments along these lines. But Russia, said Kagalovsky, decided to "reject the idea to have its own money and strengthen the Soviet ruble." He believes that in view of the forthcoming convertibility of the ruble, "the states willing to stay on in the ruble space and use all its advantages will have to comply with certain requirements, including freedom of trade and constraints on credit issue."

Right to Resources of Republic's Seas Granted

OW0605194692 Moscow INTERFAX in English 1807 GMT 6 May 92

[Transmitted via KYODO]

[Text] On May 5 President Yeltsin passed a decree granting the Russian government and special state bodies the right to handle the natural resources of the territorial waters, continental shelf and economic zone of the Russian Federation. As to the mineral resources of the territorial waters, the Russian government and special state bodies will handle them jointly with the Russian Federation's republics, territories, regions and autonomous entities.

The Russian ministries for agriculture and for environmental protection and natural resources, the governmental committee for geology and mineral resources, and the committee for guarding the state border have been instructed to prevent unauthorized utilization of natural resources by the republics, territories, regions and autonomous entities of the Russian Federation, and by the bodies of local self-government.

Rutskoy on Efficiency of Agroindustrtal Reform

OW0505163792 Moscow INTERFAX in English 1601 GMT 5 May 92

[Transmitted via KYODO]

[Text] Vice-president Aleksandr Rutskoy formulated in the course of his trip to Israel and Egypt, in an interview with IF's [INTERFAX] Vyacheslav Terekhov, his attitude toward the course of the agrarian reform in Russia and his appraisal of the economic situation.

According to Rutskoy, the reform should proceed in stages, each of which should be financially and logistically backed. At the first stage it is planned to create a facilities base and a system for the processing and storage of agricultural produce. Then, says Rutskoy, comes a progressive system of technology in animal breeding. The next step is a better technology in growing grain and vegetables. The management of the course of the reform, says the vice-president, must provide for the right sequence of these stages to prevent the massive transformations from being under jeopardy. Particular attention should be given to the credit and social policy of reforms, says Rutskoy. Speaking of the strategy and tactic of the attraction of foreign credits, the vice-president believes that Russia should not buy foreign agricultural machinery. The money should be spent to buy technological lines to reequip Russian enterprise. 70 percent of the credits will be spent on that. He suggests sending 30 percent of the credits to buy equipment abroad to process agricultural produce that is increasingly lost on Russian farms. According to the vice-president, "there are concrete proposals from Israeli firms on all of these directions."

One of the directions in the reform of the agricultural sector, according to the vice-president, is structural changes in the Russian village economy. He cited as one of the priorities an accelerated development of small and medium-sized business. This process should be closely tied with land reform and privatization.

Russian agriculture has an "excellent research base", says Rutskoy but it is underutilized. The strategy of the use of research should be worked out at governmental and presidential level, says he.

Rutskoy is concerned because many people "have unlearned to work" in agriculture. Indifference is one of the most serious obstacles to reform. As an example he cited the so-called Urals problem with food. The problem has existed for years, but there are good conditions for agricultural infrastructure in the South Urals. The radical reform of agriculture should teach people to make an efficient use of these conditions, says the vice-president.

'Catastrophic' Fall in Farm Output Avoided

PM0605131792 Moscow IZVESTIYA in Russian
5 May 92 Morning Edition p 1

[Report by Valeriy Konovalov: "If We Sow More It Means We Intend to Live Better"]

[Text] Some of us greeted the arrival of May at rallies and demonstrations, others in the fields and truck gardens. The latter are not only more practical but also, surely, more political. This is because when the stores are empty no policy has much effect. Whereas to feed at least yourself and your family is to promote political stability. If we can show concern for the underprivileged, the sick, and the old, that means reducing social tension a little bit more. Of course, each person has his own work to do. But he must work.

Increasing the Area Under Seed and Changing the Structure

The sugar fever which gripped the population all last year and the uncertainty of mutual relations with traditional sugar suppliers are forcing Russian peasants to change the crop sowing structure this spring. Even though the present sowing campaign is behind schedule because of the weather, the amount of sugar beet sown in Russia is considerably ahead of last year's figure at this point: 260,000 hectares have already been sown, one of the highest figures by this date in the past 5 years.

Spring field work is now in full swing over most of Russian territory as in other countries of the CIS. Firm foundations already exist for some quite specific forecasts about the food situation.

The most important fact which has clearly emerged is that the agrarian reforms, in some places more radical than in others, have not led to a catastrophic fall in production or a sharp reduction of the areas sown. Variations in the pace and volume of work have not been great in virtually any republic compared with recent years.

It is a different matter that the reforms have produced no visible positive effect. But in the first place the reforms have scarcely begun and, in the second place, people everywhere are encountering the same serious obstacles—stonewalling from legislators, the resistance of the kolkhoz bureaucracy and agricultural primitives, and so forth.

However, new and highly typical trends have already appeared in the spring sowing work. First of all, it is becoming obvious that the republics which have broken away and weakened their mutual economic links are increasingly beginning to concern themselves with self-sufficiency, without counting on the center and neighbors as they used to, and are scrapping the principle of the "fraternal division of labor." Areas of regionally "specialized" crops are gradually being reduced and areas sown to traditionally "imported" crops are being increased.

A graphic example of that is provided by the expansion of areas sown to sugar beet in Russia. Furthermore, this question is being resolved not by the leaders in the capital but at local level. For example, in Rostov Oblast, where sugar beet was hardly grown at all before, our correspondent V. But reports that they have vigorously set about producing this crop now after wrangles with the sugar suppliers. This spring there will be over 20,000 hectares of sugar beet in the Don region, rising to over 70,000 hectares in the future.

Counting on the Private Truck Farm

The grain situation in Russia will probably not change substantially this year despite some increase in the sown areas. The area sown is roughly on a par with the past 5 years' average (4.4 million hectares have already been sown), and according to the specialists a good but not outstanding harvest is expected. Therefore, as in past years, we shall have bread, including the unfortunately now traditional amount of imported supplies.

However, the area under vegetables and potatoes continues to decline year by year. By this date the area has never been as small as it is now. The area of potatoes is being reduced particularly drastically. Of course, there is great hope that this reduction will be compensated by the increase from private truck farms. How far these figures tally with one another, however, is hard to say at the moment. In any event, we must be aware that the problem of our potato supply will depend largely on private truck farmers, a form of work which many of us could go in for.

Spring Ultimatums from the Chairmen

At the same time as the field work, a particular form of peasant unrest has begun in many Russian oblasts, as though to order. I say a particular form, primarily because the ultimatums and threats to stop work and halt supplies of produce are being loudly voiced in offices and conference halls but are having no effect on the stable and dynamic process of sowing work in the fields.

In Vologda the strike committee of the kolkhozes has threatened to stop the sale of produce to cities and to blockade the oblast soviet building. In Novosibirsk Oblast the collective farmers' strike committee has stated that it will stop the supply of food and that farms will sell off the equipment and livestock and stop agricultural production. In Tyumen they have promised to pour milk down the drain.

The demands are the same virtually everywhere: To ensure price parity for agricultural produce and for the means of agricultural production. But because it is hardly feasible to curb industrial prices now, this means essentially raising purchase prices for foodstuffs from budget sources. The switch from ultimatums to real action is hardly to be seen anywhere. As a rule the potential strikers are managing to score purely symbolic

victories: the allocation of small subsidies from meager local budgets, which does not result in any major changes to the correlation of prices.

The fact that the ultimatums occur at the same time and are identical indicate that they are being directed by the same people. That is no great secret, however. It is obvious that the chairmen's lobby recently has become stronger organizationally (at the recent Congress the agrarian deputies' group was the most powerful) and, motivated by a sense of self-preservation, it is set on resolute steps.

The situation in the rural economy today is indeed extremely acute and conflictual. The peasant cannot survive without state support. Just as it is impossible to go on without a well-considered, long-term state agrarian policy in general. Such a policy must be formed, as happens throughout the world, not only at the top but also at the grass roots—under pressure from the peasantry. But until the peasant becomes a property owner, constructive dialogue between the government and the countryside on the elaboration of an agrarian strategy is highly difficult.

The state has no hope of a return from the resources invested in kolkhoz and sovkhoz production, and there is no mechanism of compensation or liquidization of investments. But the kolkhozes, which have no faith in a state which has duped them many times before, have few arguments and guarantees to offer apart from ultimatums.

The private farming system is not extensive at the moment although the precedent of a new type of relations between the countryside and the state has been set. The Farmers' Association and the government have concluded a contract with mutual commitments. There are things to monitor here and people to hold accountable. There is the interest and responsibility of the owner.

Government Reacts 'Quietly' to Accounts Abroad

LD0605144692 Moscow ITAR-TASS in English 1411 GMT 6 May 92

[By ITAR-TASS correspondents Lyudmila Aleksandrov, Anatoliy Aladinskiy, and Aleksandr Krasulin]

[Text] Moscow May 6 TASS—The Russian Government reacted quietly to the sensational news about billions of U.S. dollars discovered abroad on accounts of former Soviet top officials and hinted more revelations are in store. "It is ordinary information about the continuing search of secret accounts abroad", TASS was told on Wednesday [6 May] at the press office of Russian First Deputy Prime Minister Yegor Gaydar.

The press office confirmed that the "Kroll Associates" Agency which had discovered the secret accounts was authorised by the Russian Government to engage in the business and noted that Gaydar had had a meeting with Jules Kroll, head of the agency, during his latest trip to Washington. It gave no further details.

However, a former top Soviet Communist Party official doubted the news. "This is, most evidently, another 'sensation' which will hardly be proved", Vadim Medvedev, former Politburo member, told TASS. Although he admitted that some officials might have embezzled state money, he categorically denied the idea that the alleged billions "have any relation to (former Communist) Party funds". Foreign trade officials might have abused office and such cases should be investigated, Medvedev added.

Tatyana Koryagina, a member of the "Antimafia" Foundation, is sure secret accounts of former Soviet top officials do exist, but believes there are political grounds behind the recent "sensation". It is a "political campaign of Russian authorities the aim of which is to neutralise certain politicians and distract attention from other serious problems", she told TASS. "I am hundred per cent sure the accounts of former Soviet leaders exist, but the way this campaign is organised makes me sure it persecutes political goals", she added without elaborating.

Koryagina is afraid independent public opinion might be again deceived by an "unknown American firm" which acts "on orders" of current authorities. It is necessary to have a balanced approach to such information, including news coming from foreign sources, she said.

Supreme Court Expert Discusses Ban on CPSU

PM0605102392 Moscow IZVESTIYA in Russian 5 May 92 Morning Edition p 3

[Interview with Doctor of Philosophical Sciences B. Pugachev, expert of the Constitutional Court, by E. Maksimov; place and date not given: "CPSU Was Not a Party But a Criminal State Structure"—first paragraph is introduction]

[Text] CPSU and Russian Communist Party [RCP] activity was banned 6 November 1991 in line with a decree by Russian Federation President B. Yeltsin. Now a complaint about this ban has been filed with the Constitutional Court by 36 people's deputies. The majority of these are from the "Communists of Russia" faction. They demand that the presidential decrees of 23 August 1991 "On Suspending RSFSR Communist Party Activity," of 25 August 1991 "On CPSU and RSFSR Communist Party Property," and of 6 November 1991 "On Suspending CPSU and RSFSR Communist Party Activity" be deemed unconstitutional, and that both parties be restored and property returned. The court accepted the petition for examination. The court session will take place at the end of May. Preliminary procedure includes a hearing by experts approved by the court. Our correspondent E. Maksimov chatted to one of them—Doctor of Philosophical Sciences B. Pugachev, who is coordinating the work of the specialist group.

[Maksimov] What is the main thread of the statement of claim, and where, in the authors' opinion, does the main legal infringement reside?

[Pugachev] Above all, they point to the fact that the president's powers do not include the right to ban the activity of political parties or to nationalize their property. Only the court can define what constitutes unlawfulness in party activity.

[Maksimov] But is that not what happened here?

[Pugachev] Yes, had the CPSU been a party. It was never any such thing. In any normal civilized society, a party is a sociopolitical organization. Nothing more, nothing less. Before Brezhnev, the CPSU's position in general was vague, and it was not enshrined in any legislative acts prior to the insertion in the USSR Constitution of Article 6, which called it the "leading and guiding force of Soviet society."

A party which is, so to speak, the "core" of the political system, of all state and social organizations, and which constantly defines the "domestic and foreign policy line"—are you really saying that this kind of activity is normal for a party? Article 6 itself testifies against this.

[Maksimov] But the CPSU, it seems, upheld the Constitution, fulfilling exactly what Article 6 stipulates....

[Pugachev] But these are state functions which it wrested through force! This is the root of the evil. As for recent actions, it is sufficient to recall the role of the CPSU and RCP organizational structures in the August coup. The relevant documents were published and used during last fall's parliamentary hearings. Some of them served as the basis for the 6 November decree.

The party combined within it incompatible elements: rules, congresses, membership fees, and at the same time the organs of state management were a continuation of it. Party-state? State-party? It is a monstrous phenomenon.

From the immense sea of archive documents, we are selecting those which characterize, in a historical context and on a theoretical basis, the party's four hypostases: the creation of a totalitarian state; the terror unleashed by the Cheka-NKVD-KGB; absolute subordination to and manipulation by state structures; the elaboration of a policy for the so-called building of socialism and communism, which comprised the suppression of freedom and the destruction of the very bases of national being.

In a letter to Communists in Penza 11 August 1918, Lenin taught: "We have to set an example...To hang (yes, to hang, so that the people can see) at least 100 of them...This will ensure that for hundreds of miles around the people will have seen, trembled, understood, and screamed: they are being suffocated..." The entire history of Communist rule was marked by these landmarks—verdicts of mass terror against the people....

The Politburo examined all state questions of principle. All decisions were adopted in secret, and implementation of everything was compulsory. Whether it be to create a new type of weapon, organize a new ideological campaign, foreign economic action, major construction, or school reform...The KGB had a clause on carrying out CPSU orders in its departmental instructions. And the military regulations stated that the commander, the military leader, had to coordinate his actions with party organs. There was no walk of life which the Central Committee could not control. And this is how it was from the outset....

[Maksimov] We all recall the classic form of unity between party and state—the so-called joint resolutions by the CPSU Central Committee and the USSR Council of Ministers....

[Pugachev] There is a sentence in one of Lenin's memorandums to Krestinskiy: "It is necessary to prepare the terror quickly and in secret. And on Tuesday we will decide to formalize it through the Council of People's Commissars or some other way."

Formalizing policy through the Council of People's Commissars—that was the party's style of leadership. When Article 6 was abolished, the symbiosis was not destroyed but simply narrowed. The Politburo continued to deal with personnel, defense, state security. On 5 November 1990 the Central Committee Secretariat's agenda read as follows: "On Urgent Measures in Connection With the Rise in Anti-Army Phenomena in a Number of Regions of the Country"; on 7 December 1990—the Central Committee Resolution on "Measures to Stabilize the Situation in Western Regions of the Ukraine Soviet Socialist Republic"; and on 7 February 1991—"On the Situation in the Baltic Republics."

In its turn, the KGB regularly sent the CPSU Central Committee material on its activity. On 4 May 1990—"On Guaranteeing Government Communications for Leading Workers of the Lithuanian Communist Party (CPSU)," and 1 March 1990—"On the Mood in the Country and the Opposition's Plans Following the 25 February Events." There are hundreds of such documents.

[Maksimov] The decree talks about the "tyranny and force" wrought by the CPSU, and about inflaming national strife. But can the economic plans and measures be rated as criminal?

[Pugachev] If they were undertaken without sufficient forethought and for knowingly mercenary party interests, and if they caused immeasurable harm to the national economy. What about the consequences of the Chernobyl catastrophe, which were fatal for millions? Can you really say that the terrible weight of such consequences should not be borne by the quite specific party figures who inspired the program of playing down and covering up its true extent....

I have to say that the first step in this direction will be taken soon. On the initiative of the Russian Federation

Supreme Soviet Council for the Bloc of Democratic Factions, it is proposed to hold a parliamentary hearing on the CPSU's role in creating and running a totalitarian state.

I repeat, the CPSU was built into the state system, and the president, the head of executive authority, had an indisputable constitutional right to dissolve this pseudo-party as an anti-people structure of state administration.

[Maksimov] The decree mentions the "historical impasse" and the "state of collapse" to which the party brought the people and the country. All blame lies with the "leading structures." Where is the cut-off point—the party committee secretary of which level? On the one hand, the party committee leader—even that of a plant, kolkhoz, or institute—implemented what we now understand to be damaging and harmful decisions supported by "yes" votes from rank-and-file party members. On the other, nothing really depended on who voted or spoke. The normal code of conduct for a party soldier ruled out questioning [protivomysliye], implying unconditional subordination to the superior party level.

[Pugachev] Yes, precisely. This party's peculiarities are also defined in the measure of responsibility for its activity. I think that anyone who was not the initiator, organizer, or inspiration behind specific "historic" decisions should himself understand the kind of party to which he belonged, and he should review his life and his views with his own conscience as his judge. This is a purely personal matter.

[Maksimov] Starting with the reasons for joining the party—here the range of motives is extensive, stretching from genuine faith to blatant self-interest.

[Pugachev] At different stages and in different ways. The party itself was diverse. In its early years, it did not conceal its aims. Force was declared one of the main postulates, and those who entered its ranks understood where they were going and into what. But in Stalin's time, everything was already camouflaged by state interests.

[Maksimov] Are you thinking of ideology?

[Pugachev] At first it was humanist, similar to Christian ideology. The ideas of social justice, the equality of mankind—a world outlook for the humble and the downtrodden, the ideal of dreamers and Utopians. However, history, alas, abased it to "scientific communism," to Marx, who united justice and force—the dictatorship of the proletariat, the division of property among the enemy classes. With Lenin, the humane aim—justice—was placed beyond the pale, and the means—force—was brought to the fore. In Stalin's time, the communist idea was finally reduced to totalitarianism. At the same time, most people continued to believe in building paradise on Earth. As they say—"O, sacred simplicity!" So where is their guilt, and why hold them up to shame?

Zhirinovskiy Warns of West 'Robbing Russia'

OW0705105292 Moscow INTERFAX in English 0938 GMT 7 May 92

[Transmitted via KYODO]

[Text] The leader of the Liberal-Democratic Party Vladimir Zhirinovskiy has said that after robbing Africa and Latin America the West has started robbing Russia. Addressing a rally of 2,000 of his supporters in the heart of St. Petersburg on Wednesday [6 May] he claimed that the West is supported by Democratic Russia and the government who are "fulfilling Western orders and embezzling not so much because of an inclination to corruption, but because they realize they will not remain in power long." Mr. Zhirinovskiy promised that if he comes to power, he will restore order in Europe by forming an alliance with Germany. Speaking of direct contacts between his own party and the German National Democratic Party he disclosed the distribution of the expected spheres of influence. "Let the Germans move east to the new Soviet-German border while we move south", Mr. Zhirinovskiy said.

He also voiced the need to support the liberation struggle of the Kurds with the help of "Cuban mercenaries and Russian weapons" and "explode Turkey and Iran" with their hands. Mr. Zhirinovskiy views Cuba as a future resort supplying Russia with sugar and citrus fruit.

He also intends to raise the issue of returning the Japanese island of Hokkaido to Russia.

New 'All-Russian Union' Party Being Formed

OW0605214392 Moscow INTERFAX in English 1807 GMT 6 May 92

[Transmitted via KYODO]

[Text] Wednesday [6 May] in Moscow the organizational committee for creating an All-Russian Union of renewal held a session. It comprised members of Parliament, directors of industrial enterprises, businessmen, representatives of intelligentsia. Among them were the Deputy Chairman of the Russian supreme soviet Yuri Yarov, President of the Russian union of manufacturers and businessmen Arkadiy Volskiy, Academician Boris Raushbakh, film producer Vladimir Menshov, Chairman of Moscow council Nikolay Gonshar.

The organizers of the union believe that at present several political movements created on the ideas of destroying the old system practically cannot provide the transition to the creative process and as a result the democratic ideas have been ruined. According to a member of the organizational committee Aleksandr Vladislavlev, the Russian union of renewal must be not great in number but must represent a consolidated force capable of resolute actions to implement the programme of carrying the country out of the crisis. The new

political party will be based on the historical traditions of the Russian society and will use the experience of the world civilization.

The organizational committee of the All-Russian Union of renewal intends to call a constituent conference of this union at the end of May where 200-300 people from different Russian provinces must participate.

Expert Interviewed on Cryptology, Equipment

PM0305131192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 1 May 92 p 3

[Interview with Vadim Borisovich Kravchenko, leader of a specialized scientific area at the "Avtomatika" Science and Production Association, by O. Volkov and V. Umnov; place and date not given: "Who Taught the President's Telephone To Hold Its Tongue. We Have An Entire Industry Unknown To Anybody"]

[Text] Several generations of Soviet citizens firmly learned that the NKVD, MGB, and KGB were organizations that could come and take you away. Inquiring what went on within these organizations was not advisable.

Everyone knew that there were heroic intelligence agents, vigilant counterintelligence officers, and valiant border guards. But when MOSKOVSKIYE NOVOSTI filled an entire page on 3 March last year with the structure and functions of the KGB, it was revealed that the people who would "come to take you away" were only of secondary importance. The four most important directorates were intelligence, counterintelligence, border guards, and—a surprise for many people—the "Eighth Main Directorate," responsible for cipher development and information protection.

Lieutenant General N.N. Andreyev, leader of the Eighth Directorate, had stated earlier in PRAVDA: "Various cryptographic means are used. These are elaborated and developed by specialized organizations."

This one line covers an entire sector of industry which exists outside of the KGB but is nonetheless very secret. Society is entirely unaware of its more than 50-year history.

We spoke with Vadim Borisovich Kravchenko, leader of a specialized scientific area at the "Avtomatika" Science and Production Association.

How the Father of the Peoples Developed Secret Telephony

[KOMSOMOLSKAYA PRAVDA] What does your sector do?

[Kravchenko] We develop and produce cryptographic equipment—devices that make it possible to keep secret any information transmitted over any communications channels. Incidentally, the famous "nuclear suitcase" is also one of our products.

[KOMSOMOLSKAYA PRAVDA] Do you produce spying equipment too?

[Kravchenko] We are not involved in interception and decryption. Nor with bugs or surveillance devices. But it is hard to draw a clear-cut line. Put it this way: We do not produce these things directly.

[KOMSOMOLSKAYA PRAVDA] How many people do you have working for you?

[Kravchenko] We have several institutes and more than 10 plants. If you count closely affiliated plants, we provide work for several hundred thousand people.

[KOMSOMOLSKAYA PRAVDA] And has nobody ever written about such a giant?

[Kravchenko] There is a very clear description by Aleksandr Isayevich Solzhenitsyn in "The First Circle." The novel is based on real events in which Solzhenitsyn took part.

"In January of this year (1948—Editor) someone suggested to the Father of the Eastern and Western Peoples [Stalin] the idea of setting up a special, secret telephone system so that nobody could ever understand or even intercept his telephone calls."

It was decided to pool efforts in order to carry out Stalin's task. So an institute was set up, which has gone down in history as NII-2 [Scientific Research Institute 2] and has been immortalized in literature as the "Marfino Special Prison." The laboratories of the future Scientific Research Institute, together with the special prison, were housed in a former seminary building near Moscow.

As in all major scientific undertakings of that time, convict labor was used. But the main work was done by professional scientific cadres, including academic institutes and universities.

[KOMSOMOLSKAYA PRAVDA] Was it really Stalin who came up with the idea of creating your sector?

[Kravchenko] Of course not. For millennia people have been talking and writing, and throughout that time they have been trying to keep what they said and wrote secret. But it was not a science—it was an art. Incidentally, Russian cryptographers have always had a fine reputation.

Electronics came on the scene and were used—very successfully.

There is Lenin's famous note of 1922: "There are reports of a British invention in radiotelegraphy, to allow telegrams to be sent in secret. If this invention could be bought, the military applications of radiotelephony and radiotelegraphy would be of even greater importance."

Before the war electronics textbooks, for instance, talked about the possibility of inverting the spectrum and rendering speech completely incomprehensible. With a similar device at the other end of the line, these "distortions" can easily be removed.

Incidentally, telephones with "toys" to guard against bugging—such as are currently available—are based on this long-known principle.

In 1921 a special service was set up which was the precursor of the KGB's Government Communications Directorate. Serious scientific and industrial activity in this area began in 1931.

[KOMSOMOLSKAYA PRAVDA] Does this mean that Stalin already had a secure phone?

[Kravchenko] Not just Stalin. There was already a secure information transmission system in the country, it was used during the war years. But strict mathematics only invaded the art of cryptography in the thirties. It made it possible to set up exceptionally resistant encoding methods, but applying them to real speech and to telephones was terribly difficult. It was only in industrial and state security laboratories in the late forties that hope emerged that the task of making a telephone signal secret could be successfully resolved. It was then that the idea "rose up" to the top.

[KOMSOMOLSKAYA PRAVDA] Was Joseph Vissarionovich's mission carried out?

[Kravchenko] You bet! For the first time systems were created which made it possible to digitize speech signals, making them virtually impossible to crack by the enemy.

[KOMSOMOLSKAYA PRAVDA] Even if you are speaking Chinese?

[Kravchenko] In principle, yes. But for languages with a specific pronunciation (Arabic and Asian languages) the sound quality would be altered.

It was a breakthrough—simultaneously made here and abroad.

[KOMSOMOLSKAYA PRAVDA] It was stolen, presumably? Solzhenitsyn hinted at this...

[Kravchenko] No, the algorithms were entirely ours. Of course, we used some foreign equipment—captured German equipment, for instance. But no more than that. The convicts were uniquely skilled with their hands.

As soon as we could cope with speech signals, the equipment became widely used.

Foreign Experts Admit Russians Not As Strong In Cryptography As In Space

[Kravchenko] Having success in cryptography and mathematics is by no means everything. During the "First Circle" period, our equipment weighed tonnes and required kilowatts of power, yet it had to be housed on planes, ships, satellites, and in the trunks of leaders' limousines.

After all, the protection given to information had to be comprehensive. Once you have installed a scrambler on a telephone line you must not forget that the conversation can also be heard through a window....

Incidentally, the bell in any telephone makes an excellent microphone. And it is constantly switched on, even when the receiver has been hung up. Everything you say in that room can be overheard if necessary.

One naval commander remarked: "We naively thought that your equipment was being developed for installation aboard ship. We were wrong—it turns out that ships should be built on the basis of the demands of this equipment."

It is hard to install our equipment in a completed building. If things are arranged properly, we should be included in the work from the very outset. Now, for instance, the new authorities in the sovereign states are busy housing their departments. This will be far harder than they think.

[KOMSOMOLSKAYA PRAVDA] Who receives your services?

[Kravchenko] Services were provided by the KGB and other special organs. We made the equipment for party and state leaders, the KGB, and the Army.

[KOMSOMOLSKAYA PRAVDA] Did you make the "vertushka"? [meaning unknown]

[Kravchenko] This is not cipher equipment, it does not require major secrecy, although it is protected. We took part in its development in the early fifties.

Special communications like strict hierarchies. Some things are available to any leader at any level. Other things are only available to the real "big boys."

[KOMSOMOLSKAYA PRAVDA] And how many of these levels are there?

[Kravchenko] About five.

[KOMSOMOLSKAYA PRAVDA] How many subscribers are there for your systems?

[Kravchenko] I cannot give an exact figure. According to Western criteria our country needs to protect around 500,000 subscribers. We estimate that a further 1 million businessmen will need them.

[KOMSOMOLSKAYA PRAVDA] Do you only protect telephones?

[Kravchenko] That was the prime requirement for government communications. And not only so that what is said is understandable (and the diction of some of our leaders needs no comment) but also to ensure that the intonation, mood, and emphasis can be grasped. This led to excessive development of cipher equipment for telephones to the detriment of modern information trends. Can you imagine the general secretary or the president sitting alongside a computer display or a fax machine?....

The Whims of General Secretaries, Generals, and Presidents

[Kravchenko] Everyone wanted the usual-looking telephone—bulky, somewhat old-fashioned, "like the first secretary has" [kak u Pervogo]. Having such a telephone in your office was a sign of power. Sometimes a simple dummy telephone would be kept on the desk, with the main equipment located "elsewhere."

[KOMSOMOLSKAYA PRAVDA] Has everything really remained the same as it was in those unforgettable times?

[Kravchenko] Almost. For instance, there are manual switchboards with operators.

[KOMSOMOLSKAYA PRAVDA] And what if the operator listens in?

[Kravchenko] All telephones connected to manual switchboards are, naturally, served by officers of the appropriate rank. Strict technical measures have been taken to rule out the possibility of staff listening in....

[KOMSOMOLSKAYA PRAVDA] Who accepted the work [as satisfactory]?

[Kravchenko] Whoever was the client—the Army or the Government Communications Directorate. But the quality of the level of secrecy was always assessed by the KGB.

[KOMSOMOLSKAYA PRAVDA] Without any problems?

[Kravchenko] How shall I put it? Basically there were no developments that I can remember being rejected. But the checks were there to make sure we stayed vigilant. For instance, we would develop a system in the belief that the security services would not let an imperialist agent anywhere near the "first secretary's" office, car, or our equipment. But the experts would correct us, saying that the enemy were cunning and perfidious, and that we should reckon on agents almost getting their feet under the "first secretary's" desk....

[KOMSOMOLSKAYA PRAVDA] Was equipping party offices a big part of your job?

[Kravchenko] As far as my nerves were concerned, probably yes. As far as the amount of work was concerned—no. Incidentally, all our major jobs were paid for not out of Central Committee funds but out of the state budget, which allocated research and development funds to the ministry.

Secrets—Are They Secrets For Everyone But the KGB?

[Kravchenko] Apart from the government, there were consumers who demanded more than just a telephone. Nowadays our equipment can protect any information transmitted through any channels. We can ensure that cryptanalysts would spend one, 10, or 100 years deciphering messages, even if the most powerful computers were used.

Suppose an enemy knows everything—the design of the equipment, previous messages, and their plaintext form. They can compare them as much as they like, but it will not help them to decipher the next message—not a bit! It is all a question of the key.

[KOMSOMOLSKAYA PRAVDA] And what are they like?

[Kravchenko] It varies. They can take the form of text, a row of numbers, a disk, perforated strip, perforated card, or magnetic tape...The main thing is that they be easy to conceal.

[KOMSOMOLSKAYA PRAVDA] But how do Yeltsin and Bush talk to each other? Do they have a shared "key"?

[Kravchenko] Naturally, this line was developed in conjunction with U.S. engineers [razrabotchiki].

[KOMSOMOLSKAYA PRAVDA] What if the "key" were stolen?

[Kravchenko] Bad news. But over the past few years mathematicians have developed a very interesting approach.

Traditionally, the position has been that any "key" should be known only to the sender and receiver, closely guarded, and sent via couriers who are prepared to die under torture rather than divulge the secret. Historically it has been the case that the state's interests were represented in our country by the KGB. And all secrets were, naturally, secrets to everyone except the KGB. Businessmen are scared of that.

Methods have now been developed whereby everything can be enciphered but can only be deciphered by the addressee. And such "keys" can even be published in the newspaper.

[KOMSOMOLSKAYA PRAVDA] So you can create a system that is independent of the special services?

[Kravchenko] We are already developing one. However, it is too expensive to change existing government communications. Without going into technical details, I will say, for example, that up to now the technology of the late sixties has been used in this area.

Now the new director of government communications, the former director of one of the enterprises in our science and production association, is initiating a technical revolution in this sphere. But the task facing us is extremely complicated.

[KOMSOMOLSKAYA PRAVDA] What is preventing the introduction of new systems?

[Kravchenko] Legislation. Or the lack of it, to be more precise. In the United States security systems have to be certified by the state or authoritative organizations.

A year ago the USSR Supreme Soviet entrusted the KGB with the licensing and expert analysis of work on cipher

technology. This system has not been developed at all, and the science and production association still does not have a license—it could be shut down at any moment. To whom has this function been transferred now? After the August events, the directorate dealing with government communications, electronic intelligence, and cryptography was removed from the KGB's jurisdiction and the Committee of Government Communications was set up, which was directly subordinate to the president. This organization is now called the Federal Agency of Government Communications and Information.

Does Each President Have His Own Code?

[Kravchenko] All our enterprises are now in Russia. There is not a single plant of any significance, let alone a scientific school outside it.

[KOMSOMOLSKAYA PRAVDA] Did that come about by accident?

[Kravchenko] There was a policy of concentration in the center, although some of our work was done in other republics as well.

[KOMSOMOLSKAYA PRAVDA] Who is financing you today?

[Kravchenko] We get the odd crumb from the budget, we are living on contract money, and there is something left over from old orders. Nearly all new research has been frozen.

Prior to the eighties people were dying to join us because of the big money and bonuses. Things remained more or less normal until 1989. Those who got wind of the approaching crisis turned to commerce.

Now the average staff pay is 1200 rubles. It is a long way to the bus station.

[KOMSOMOLSKAYA PRAVDA] How are you managing?

[Kravchenko] We are busy looking for work. We are doing something on the communications market and we are trying to make products in which we are closely interested: telephones, tape recorders... But it is unprofitable—products like that have to be produced on an assembly line, whereas we are used to operating with small batches of a few thousand.

We are making new types of protected equipment for businessmen.

[KOMSOMOLSKAYA PRAVDA] How much will your new equipment cost?

[Kravchenko] Abroad even primitive business devices cost thousands and tens of thousands of dollars. In the very near future we intend to offer protection systems for all types of communications: telephones, computers, teletype machines, fax machines. The simplest device—a telephone attachment—costs, say, the same as two television sets. There is another novelty for business people: A guarantee that the document being transmitted is genuine. Only one specific person can encode it, and only one other person can decode it.

[KOMSOMOLSKAYA PRAVDA] Are the new presidents not trying to slip in a few orders?

[Kravchenko] That is a very difficult question. We still have a single communications system, so the former republics' autonomy in the information sphere is a sham. And they are beginning to realize this. They are independent states. If we start to provide services for them now, formally speaking we will be breaking Russian laws.

And were it not for the political niceties, from the viewpoint of Russia's security we would have to isolate the capitals of the former Union republics, as special communications centers that have fallen into the hands of foreigners.

[KOMSOMOLSKAYA PRAVDA] On the other hand, all new leaders need these communications....

[Kravchenko] Whether we like it or not, they will come to us for equipment. They will have problems with imported equipment, and in any case most countries are only allowed to export old equipment. What they are offering usually is eavesdropping and commercial espionage equipment.

In a way these presidents are onto a winner—they will be able to deploy the system of the nineties.

[KOMSOMOLSKAYA PRAVDA] From the purely technical viewpoint, when will the new presidents be faced with this question?

[Kravchenko] In the very near future.

Congress of People's Deputies

Government Must Pursue Stable Economic Line

PM070511392 Moscow ROSSIYSKAYA GAZETA in Russian 6 May 92 First Edition pp 1-2

[Article by Doctor of Economic Sciences Professor Aleksandr Livshits under the rubric "Sixth Congress: Summing Up": "The Government's Stability Lies in Confidence"]

[Text] The Sixth Congress will remain in the memory as a forum where the government's actions were subjected to criticism that was unprecedented in its sharpness and totality. Attempts to offer explanations and timid references to the "increase in the role of the ruble" and "certain positive developments in the financial sphere" were drowned in a chorus of displeased and pitiless voices. There was clear evidence of a rejection of market reforms in principle from political and ideological motives, while group and regional interests, personal ambition, and belligerent incompetence played a part.

All this, however, does not mean that the Congress was a purely political event with little meaning for those who had set about advancing the market reform. The impression that the deputies, by adopting their resolution, rejected the government, and then, by voting for the Declaration, put it back in the place it had held prior to 6 April, is erroneous. The situation has indeed changed. As it enters the phase of maturity, Russia's representative power has no intention of yielding its powers to anyone. Even if you assume that the present body of deputies is replaced by a new one, its position will most likely be even tougher. And this will happen irrespective of the distribution of parliamentary forces.

An analysis of the Congress materials shows that the vast majority of deputies had nothing against the government's actions aimed at normalizing the money supply, reducing the budget deficit as a proportion of GNP, and getting inflation under control. These actions may not have prompted praise, but at least they were not grounds for criticism. It is another matter when it comes to the poor quality of social protection of the population, the disastrous situation in the base sectors, the government's indifferent attitude to structural changes in production, the unforgivable slowness with demonopolization and privatization, and the lack of a program of assistance to the country's own entrepreneurs. For this they were hit, and hit hard; practically every blow was accompanied by insulting epithets. Basically the people's elected representatives, including those who can only speak the language of class hatred, wanted to use whatever means were available to them to make it clear to the government that anti-inflationary indicators are contradictory and produce unpleasant side effects which must be stopped promptly.

In fact, I am sure the diagnosis of Russia's economic ills is correct. And on the whole the right medicines have been chosen. Other, more effective means of countering inflation do not exist, and any intelligent administration, if it were in the Yeltsin-Gaydar government's place, would do the same. But as for the dosage and the side effects...God only knows whether they have been correctly assessed. If, for instance, someone's eyesight needs correcting, given that the most effective medicines have an adverse effect on the heart, an inexperienced ophthalmologist could easily cause the patient a heart attack. And what use are good eyes to him then, when he can only look at the gloomy walls of a hospital ward? So during the treatment of the eyesight, preparations to protect the heart are essential. And the best person to prescribe them is, of course, a cardiologist. Consultation is needed: One person treats, another compensates for the adverse effects, but in such a way as to ensure that the restoration of normal cardiac activity does not entail a loss of vision.

The government lacks an overview of macroeconomic processes and the ability to pursue a policy which, while leading to certain improvements in some sectors, would be less detrimental to the situation in others. And that is presumably what the people's deputies were trying to get across to it.

A policy gains effectiveness and a government gains stability when it enjoys the confidence of citizens. That requires consistency in following the planned course, and at least some perceptible results. Honesty and therefore openness is also needed. You cannot make policy by making periodical surprise sorties from your dugout and then going back there to hide as a team, going into a huddle to think what to do next. It is absolutely impermissible to pretend that what has been achieved is what was planned. Yet that has happened repeatedly, for instance when announcements of a real budget deficit were accompanied by assurances that everything is going according to plan.

The Yeltsin-Gaydar government had sufficient resolve to launch the price liberalization. It showed a good deal of determination in establishing a regime of fairly tough financial restrictions, keeping to it for some months and bringing about the expected structural recession, indicated by sales difficulties on certain commodity markets and a succession of payment failures. Debates at the Congress clarified the situation greatly, showing that a turning point has arrived and the government is entitled to choose one of two basic options.

The first scenario is not to abandon the anti-inflationary thrust of economic policy, to continue to put pressure on demand by means of rapid progress toward a zero-deficit budget and further increases in the cost of credit, to implement structural transformations in production by means of merciless market selection processes, without shrinking from the closure of unprofitable enterprises and mass unemployment, and not so much to teach the population how a market economy is organized, as to make them sit an examination as external students.

The second scenario is to slacken slightly the anti-inflationary corset into which the economy is laced, by increasing the income of those in employment, social benefit payments, and the size of the budget deficit, to accept the inevitability of a new spiral in inflation, to please industry by continuing subsidies and selective credits to insolvent debtors, to reassure the population at least about jobs by preserving a relatively low level of unemployment and postponing the tackling of this problem to some future date, and to bring the laggards into line by setting about serious demonopolization, privatization, and aid to entrepreneurs.

From recent government decisions it appears that it has chosen the second path. Maybe that is correct. Let us note, however, that by yielding and giving ground it becomes like its predecessors, becomes mediocre and loses its identity. And the more deletions and substitutions are made in the declared anti-inflationary program, the easier it will be to replace it with something different.

In any case a high degree of skill in political maneuvering will be required in order to minimize the inflationary

effects of the planned good deeds. If, for instance, a private businessman hires someone and promises to increase his wages precisely in line with the price index, that generosity of soul can only be welcomed. The kindness is splendid because it is safe, because the boss is spending his own money, with no effect on money emission and inflation. The state, on the contrary, is using other people's money—budget money; the state prints money, and when it acts incorrectly it infects the economy with inflation. An official ban on all forms of automatic state indexation of incomes would therefore be justified.

An end must be put to the useless practice of handing out money selectively during leaders' tours of the vast expanses of our motherland, on the principle "The boss is coming—the boss will decide." Far tougher measures are needed against those who blackmail the government by means of strikes, extorting more and more supplements to their income. In exceptional cases it is time to resort to lockouts. Best of all, of course, is to be more energetic in carrying out privatization. People will then realize that wages are not handed out in Staraya Square [CPSU headquarters]. Wages must be sought from employers.

The government often complains about the strange reactions of participants in the Russian economy. It complains, for instance, that producers have now been placed in such tough financial conditions that apparently the only way to survive is to reduce prices and increase sales. It is true that if a British firm is squeezed by high taxes, expensive credit, and low day-to-day demand, then, finding itself desperately in need of circulating capital and obeying its innate market instinct, it will stop holding back goods to wait for higher prices and start pushing them onto the market. But it is no use expecting our firms to do the same. And not only because as a rule they are operating in a monopoly market. Distinctive behavioral stereotypes also play a part. Like this, for instance: You take an ordinary economic problem, politicize it, and drag it to parliament, or else to the Congress, and there you set about the government and persuade it to give you credit on a privileged basis, which most probably you will not have to repay later. So you can survive without any increase in sales.

These and many other characteristics of the behavior of Russian producers and consumers form a remarkable microeconomy. A number of its features are without parallels in other countries. Our government, which is engaged in macroeconomic stabilization, can count on success for its initiatives only if it starts taking this fully into account. Market reactions are, of course, universal. But everywhere they take distinctive national forms. The Soviet forms will depart, and the Russian forms will remain.

Regional Affairs

Severodvinsk Becomes Submarine Building Center

LD0605163192 Moscow ITAR-TASS in English 1407 GMT 6 May 92

[By ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Moscow May 6 TASS—Russia will close a number of military enterprises engaged in building nuclear submarines and will concentrate the production in Severodvinsk, a port on the White Sea in the north of the country, according to a senior CIS Navy official.

The move is being done "in connection with the course on reducing military production" and the decision was taken by the Russian president last March, Rear Admiral Leonid Belyshev told TASS on Wednesday [6 May].

The creation of a single centre of nuclear submarine construction will help both save money and maintain military shipbuilding on a high level, said Belyshev, who heads the department of shipbuilding of the CIS Navy.

Besides construction and repairs of nuclear submarines, the centre will also engage in utilising radioactive waste and will provide secure scrapping of nuclear vessels and their reactors, Belyshev added.

The idea of a single nuclear submarine construction centre was voiced by Russian President Boris Yeltsin during his recent visit to Severodvinsk where a major submarine shipyard is situated. 60 per cent of production of the local industry goes for military needs.

Debate Over Karelia Nuclear Power Nears End

PM0605123592 Moscow Russian Television Network in Russian 1600 GMT 4 May 92

[Video report from Petrozavodsk by A. Kolobov and I. Shilovskiy; from the "Vesti" newscast]

[Text] [video shows reporter standing in a field] [Kobolov] Karelia does not currently have a nuclear power station, but owing to the electricity shortage emotions over whether or not to build one are still at a high pitch. Two years ago the republic's Supreme Soviet refused to hold a referendum because most deputies opposed the construction of a nuclear power station. Despite that the design work went ahead. Now, on the basis of an economic and technical report from an institute in Lvov and the expert findings of the scientific and technical society of power generation workers and electrical engineers, the Karelian Government has concluded that the only real source of electricity for Karelia may be one based on nuclear fuel. Most of Karelia's scientists have opposed this project. Karelia's Green Association and the public are categorically opposed to the idea. It is now up to Supreme Soviet deputies to decide. Authorization for the next phase of the design

work depends on them, as does the construction of the station itself. [video shows various urban scenes and electricity pylons]

Kaluga Plant Switches Tanks to Power Units

PM0605134492 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 4 May 92

[Video report by O. Bobin; from the "Novosti" newscast]

[Text] [Announcer] A plant which made tank engines has started to produce power units for private farmers.

[Bobin] [video shows man driving mini-tractor, with voice-over] Private farmers have been waiting a long time for this power unit. Accessible in terms of price, it is irreplaceable for setting up a farm: It is a means of transport, a plow, a mower, a cultivator, and several other types of field work can be performed on it. But it is also a pump and even a saw frame. Its mass production began in a shop specially constructed several years ago for the production of engines for the latest model of tank. At Moscow's first international aircraft exhibition recently the Kaluga motor building association impressed everyone with its plant conversion strategy. Previously it was renowned only for its tanks and aeroengines. Incidentally, the latter are produced in only five countries, which possess the most modern technologies. And now in Kaluga of the overall volume of production 50 percent consists of engines for aircraft, including the Il-114 liners, while the other half consists not only of power units but also of of small heat and electric power stations for the countryside, very unfussy as regards type of fuel. [video shows mini-tractors, aeroengine assembly, small power station]

Muscovites Polled on Sociopolitical Developments

PM0705102992 Moscow IZVESTIYA in Russian 6 May 92 Morning Edition p 3

[Report by Nugzar Betaneli, director of the Institute of the Sociology of Parliamentarianism: "A Majority of Those Polled Believe That Their Descendants Will Live Under Capitalism"]

[Text] The independent Institute of the Sociology of Parliamentarianism has conducted a further weekly poll of 1,000 Muscovites for the Television News Agency's "Itogi" program. Comparative analysis has shown:

Spring and the festive mood have noticeably reduced the psychological tension in society and the social fatigue resulting from the exhausting transition to a market economy. In the space of just one week the indicator of satisfaction with life rose from 26 percent on 23 April to 34 percent on 30 April. Unlike economic life and prices, which at present are invariably becoming worse, personal life is not so monotonous. Approximately one-fifth of those polled (19 percent) consider themselves happy. Some 30 percent of people point out that they are "both one and the other—in equal measure." Almost one in every two of us (47 percent), however, experiences more grief in his personal life.

The stability of other indicators convinces us that the rise in the level of satisfaction with life in society shows the influence of spring and festivals: The number of those who cannot bear the price liberalization is practically unchanged (36 percent on 16 April, 38 percent on 23 April, 36 percent on 30 April).

The rating for B. Yeltsin's economic policy, which fell two weeks ago, has become fixed at that level: 40 percent of those polled believe in its success, while 44 percent do not.

During the last two weeks of April there was an appreciable drop in the number of positive assessments of the president's activity—from 43 percent on 16 April to 34 percent on 30 April—and the number of clearly negative assessments increased somewhat (11 percent on 16 April, 13 percent on 30 April).

Must we go further along the path of a market economy? Just 10 percent of Muscovites advocate "cutting back the market economy," and 29 percent believe that "it is necessary to continue along the Yeltsin-Gaydar path." There are appreciably more (35 percent) of those who believe that "it is necessary to continue developing the market economy, but in a different way."

For long years each new generation of Soviet citizens had the idea dinned into them that future generations would live under communism. The USSR no longer exists. The CPSU has left the political arena. The symbols "communism" and "socialism" have lost their former clarity and attraction for the majority of the mass media. But what do the people themselves think? What is the prognosis (expectations) of public opinion: Will Russia's future generations live under capitalism or under socialism? The poll showed that only 4 percent of people believe that their descendants will live under socialism, and considerably more (30 percent) under capitalism. Almost as many (28 percent), however, are convinced of a special path for Russia. In their opinion, this third path does not boil down to a simple choice between two ideological cliches—"socialism" and "capitalism"—but must combine the merits of both systems and avoid their shortcomings.

The recent death of Grand Prince Vladimir Kirillovich in Miami (Florida) reminded Russia's citizens of the existence of the Russian imperial house: The poll showed that 17 percent of Muscovites assume with one degree of certainty or another that the monarchy of the Romanovs will be revived in Russia. Just 43 percent of those polled unequivocally deny the possibility of such a development of events. It is curious that there are more people who do not rule out the revival of the Russian monarchy among the age groups "up to 20 years" (22 percent) and "30-39 years" (23 percent).

At the beginning of the year a quite marked positive attitude to the CIS was observed among the population: On 2 January 48 percent of those polled were predicting a further strengthening of the CIS in one form or another. With the passage of time, however, skepticism began to predominate in assessments: Negative forecasts of the fate of the CIS increased from 24 percent on 2 January to 48 percent on 30 April.

As is known, the procommunist regime in Afghanistan, which we had actively supported for long years, finally fell in April. To judge from the poll results, the problem of Afghanistan still gives rise to a conflict in the mass consciousness. The new situation has caused a spread of contradictory feelings—ranging from regret (12 percent) and indifference (20 percent) to satisfaction (32 percent). Some 29 percent of people found it hard to define their opinion, although many pointed out: "We are sorry for our guys who died in that senseless war."

Tatarstan Communists Work To Restore USSR

OW0605232392 Moscow INTERFAX in English 1303 GMT 6 May 92

[Transmitted via KYODO]

[Text] The communists of Tatarstan have offered the republican authorities to begin the restoration of the USSR. They also insist that the words "Soviet" and "socialist" reappear in the name of their republic.

The communists are referring to the Declaration of State Sovereignty which defines Tatarstan as a sovereign state and a constituent part of the USSR. The break-up of the USSR and the establishment of the CIS are qualified as illegal.

Also, the communists of Tatarstan are campaigning against delegating any powers to Russia, whose authorities have "utterly discredited themselves by their adventurous economic and political activity".

International Affairs

Further on Kravchuk's Visit to U.S.

Kravchuk Meets With Bush

LD0605173992 Moscow ITAR-TASS World Service in Russian 1556 GMT 6 May 92

[By UKRINFORM correspondents Viktor Demidenko and Igor Barsukov for ITAR-TASS]

[Text] Washington, 6 May—Talks began this morning at the White House between U.S. President George Bush and Ukrainian President Leonid Kravchuk, who arrived here on Tuesday [5 May] on an official visit. The leaders of the two countries met one on one to start with and then the talks were continued with an expanded composition.

Answering correspondents' questions during a brief ceremony for photographs to be taken before the start of the meeting with G. Bush, L. Kravchuk said that all problems connected with implementing the treaty on cuts to strategic offensive weapons will be resolved. U.S. Secretary of State James Baker and I are discussing problems connected with the treaty and "if any questions remain, we will discuss them today", stated L. Kravchuk. On Tuesday the Ukrainian president noted that he did not see substantial differences between the position of his country and that of the United States on the question of reducing nuclear weapons.

After completing the meeting in the White House, G. Bush and L. Kravchuk will sign American-Ukrainian documents which envisage expanding cooperation between the two countries in the sphere of trade, environmental protection, and other spheres.

Kravchuk Holds News Conference

LD0705032192 Moscow ITAR-TASS World Service in Russian 2200 GMT 6 May 92

[Report by UKRINFORM-ITAR-TASS correspondents Viktor Demidenkoand Igor Barsukov]

[Excerpts] Washington, 7 May—At the White House on Wednesday [6 May], talks took place between U.S. President George Bush and Ukraine's President Leonid Kravchuk, who is here on an official visit. At the end of the meeting, the leaders of the two countries signed three agreements that envisage the development of cooperation between the United States and Ukraine in the sphere of trade and protection of foreign investements, in environmental protection, and also in the sending of American Peace Corps volunteers to Ukraine. [passage omitted]

Our meeting with the U.S. President, the conversations held, the openness of the atmosphere, the friendly nature of the meetings, and the mutual understanding of the positions and interests of our states went far beyond the framework of official ceremonies, L. Kravchuk said. What is most important in relations between the United States and Ukraine is the fact that from statements of a general political nature we are moving to fleshing out our bilateral interstate relations with specific content, he noted.

The entire experience of the development of qualitatively new international relations after the collapse of totalitarianism and the end of an excessively long "cold war" period shows that the main thing is vigorous cooperation in the interests of peace and ensuring such international conditions as would make it possible to find an optimum correlation of state interests, national interests, and interests common to all mankind, L. Kravchuk stressed.

Replying to journalists' questions, the head of the Ukrainian state said that, in accordance with the agreement signed between the presidents of Ukraine and Russia, all tactical nuclear weapons will be removed from Ukrainian territory by 1 July as planned. L. Kravchuk reported that the Ukrainian minister of foreign affairs and the U.S. secretary of state have held lengthy discussions on the problems connected with ratification of the Treaty on the Reduction of Strategic Offensive Weapons. In his words, the basic problems between the U.S. and Ukraine have been settled. And as soon as the protocol that envisages measures for the implementation of the agreement on strategic offensive weapons is signed, "Ukraine will ratify the treaty on strategic offensive weapons and will fulfill all its obligations arising from this agreement." [passage omitted]

President Kravchuk repeated that Ukraine intended to continue to adhere to the policy of eliminating the nuclear weapons on its territory. But he pointed out that there existed a security problem for Ukraine, since in some neighboring countries, and especially in a country as large as Russia, there were political forces that "would like to make territorial claims against Ukraine, and that certainly disturbs us." We will do everything in our power to settle possible conflicts with Russia, but these problems will exist, since the empire has collapsed, and people have different interests. L. Kravchuk also voiced the hope that the international community would play its part in providing "some guarantees of Ukraine's national sovereignty in the event of a possible threat."

The Ukrainian president noted the importance of the agreements signed with the United States in the economic sphere and stressed that his country was not playing the role of a beggar, but was interested in cooperation with the United States in order to speed up the transition to a market economy.

To a request to expound on Ukraine's position with regard to the Crimea, L. Kravchuk stated that the handing over of the Crimea to Ukraine in 1954 had been done in accordance with the laws which were operating in the USSR at that time. "The situation in the Crimea would be absolutely normal. The population of many nationalities live there, and nobody is deprived of

rights," the Ukrainian president stated. "But there are some outside forces which stimulate and provoke separatist moods."

In this connection, he criticized Russian Vice President A. Rutskoy's statements that the Crimea belonged to Russia. "He is not just someone off the street. He is the vice president of Russia. And statements like that are very dangerous. They are politically unjustified. And the people of Ukraine are scarcely able to understand such statements," L. Kravchuk said. The peoples of Russia and the Ukraine have lived in peace, and they want to live in peace. We have many common problems dating back to distant history, but we should not play with force or resort to political games designed to bring the situation to the danger point, he stressed.

Further on Kravchuk Comments

LD0605212792 Moscow ITAR-TASS in English 2250 GMT 6 May 92

[By UKRINFORM-ITAR-TASS correspondents Viktor Demidenko and Igor Barsukov]

[Excerpts] Washington May 7 TASS—U.S. President George Bush and Ukrainian President Leonid Kravchuk ended talks in the White House on Wednesday [6 May].

After the meeting the leaders of the two countries signed three agreements on expanding trade between the United States and Ukraine, protecting foreign investment and environmental protection, as well as sending American Peace Corps volunteers to Ukraine. [passage omitted]

Our meeting with the President of the United States, our talks, their openness and friendly atmosphere and mutual understanding of positions and interests of our states far transcended the framework of official ceremonies, Leonid Kravchuk said.

The key thing, I believe is the fact that from general political statements we are moving towards giving a concrete meaning to our bilateral inter-state relations, Kravchuk went on. For instance, Ukraine's Embassy has been opened in Washington. For us the opening of our embassy in your great country is a historic event, another step towards establishing Ukraine's independence, he said. The experience of new international relations following the crash of totalitarianism and the end of the cold war underscores the importance of active cooperation for peace and ensuring an optimum balance between state, national and common human interests in international relations.

U.S. Concerns Viewed

PM0705141192 Moscow IZVESTIYA in Russian 7 May 92 Morning Edition pp 1,7

[Aleksandr Shalnev report: "L. Kravchuk Discusses Russo-Ukrainian Relations in Washington"]

[Text] Ukrainian diplomats did not invite anyone from the Russian Embassy to the opening of their embassy in Washington, even though the embassies are just five minutes' walk apart.

Presumably they did not do this without consultations with Kiev and, I believe, with President Kravchuk himself, who arrived in the United States Tuesday [6 May] for a visit in which the first item on the agenda was the ceremonial opening of the embassy, where Secretary of State James Baker was another guest of honor.

This casual diplomatic snub to Russia—it is difficult to view Kiev's "forgetfulness" any other way—was given at a time when Washington is urgently appealing to Ukraine to establish and maintain good relations with Russia.

This indeed was stated several hours before Kravchuk's arrival in Washington by a high-ranking White House National Security Council [NSC] staffer. I cannot give his name, I can only note that he plays a leading role in defining U.S. policy toward the countries of the former Union. Kiev recently hinted quite transparently that it wants security guarantees from the West and from the United States in particular—in conditions in which it will have to renounce its own nuclear weapons. According to the NSC staffer, "the best guarantees are the rapid and close integration of Ukraine with world institutions, fast economic reforms, the development and strengthening of democracy, and good relations with Russia. These are far more reliable guarantees of security," my interlocutor stressed, "than a scrap of paper."

But as you can understand, the "scrap of paper" will surface at the talks that the Ukrainian leader will hold in Washington with President Bush, Vice President Quayle, Defense Secretary Cheney, Secretary of State Baker, and Commerce Secretary Franklin. Judging by comments from high-ranking representatives of the White House and other federal departments, Washington would clearly like to give priority in the conversations with the Ukrainian leader to problems connected with nuclear weapons, first and foremost the withdrawal of warheads from Ukrainian territory and the ratification of the Soviet-U.S. START treaty. The administration is not even trying to hide its dissatisfaction that solutions have not been found to these problems yet although, as was stated at the White House Tuesday, "considerable progress has been made in the past few weeks." Assistant Secretary of State Margaret Tutwiler hinted very clearly on Tuesday that it is the administration's belief that the promises given to Washington in December, when Baker met with the leaders of Ukraine and Kazakhstan, are not being kept in full.

It seems to me that during the visit it will be made quite clear to Leonid Kravchuk that there is a dependence between how Kiev resolves nuclear questions with Moscow and how active the United States will be in giving economic and financial aid to Ukraine. At the moment Washington is in no hurry to open its coffers or

those of the IMF wide for Ukraine's benefit. This is due not just to political reasons. According to the anonymous NSC staffer, "economic reforms in Ukraine are developing far slower than in Russia. It has to be asked: Does Kiev have a precise economic plan which it would make sense to help?"

On the other hand, the United States is prepared to give Ukraine technical help. It is proposed that agreements on this score be concluded during the visit. According to some information, an agreement will also be signed whereby the United States will give Ukraine most-favored trading status.

The administration is conducting a thorough discussion with Leonid Kravchuk on the Black Sea Fleet and the Crimea. As the White House said on Tuesday, "we want good relations between Ukraine and Russia so that these countries develop a mechanism for resolving the difficulties emerging between them... It is not so much the Black Sea Fleet as the Crimea which is the major source of tension. It will take time to resolve this problem. We believe that this can be done, but there will not be improvements and successes every day on the path toward this goal."

Kravchuk Advocates 'Nuclear-Free' Black Sea

LD0505122192 Moscow ITAR-TASS World Service in Russian 0848 GMT 5 May 92

[By ITAR-TASS correspondent Sergey Feoktistov]

[Text] Ankara, 5 May—Ukraine and Turkey advocate the withdrawal of nuclear weapons from the Black Sea, Ukrainian President Leonid Kravchuk said at a news conference at Ankara airport on 4 May before leaving Turkey. "A nuclear-free Black Sea can be a model not only for the region but for the whole world," he said. The problem of the return of Crimean Tatars to their homeland, the Ukrainian head of state commented, is not just a regional one, and must be tackled at an interstate level. The Turkish side, he stressed, was positive in its evaluation of our steps towards the repatriation of Crimean Tatars. L. Kravchuk announced that a great deal of attention was given at the Ukrainian -Turkish talks in Ankara to the situation in Nagorno-Karabakh and in the Caucasus. He pointed out here that Ukraine and Turkey will do everything possible to ensure stability in this region. The sides also exchanged views regarding the future of the CIS. L. Kravchuk pointed out that unanimity was reached on all the issues discussed, and assessed the negotiations as "very positive and constructive."

Government To Close Border With Moldova

LD0505143592 Moscow POSTFACTUM in English 1452 GMT 5 May 92

[Text] Kiev—Ukrainian authorities intend to close its border with Moldova before May 15. Documents on establishment and closure of borders with Russia and Byelarus are also being worked out. As has become known from informed sources, reconnaissance of border sections between the republics is expected soon.

Iran Interested in Sending Gas Through Ukraine

AU0705072492 Kiev Radio Ukraine World Service in Ukrainian 1400 GMT 6 May 92

[Text] Iran is interested in transporting natural gas via Ukraine to Europe, including to Belgium, Germany, and France. Ukraine may receive payment for the transit across the territory of the republic both in currency and in gas. This was stated by a senior official of the production association Ukrgazprom [name indistinct], who commented on the prospects of cooperation between Iran and Ukraine.

For the time being, Ukraine will be paying for Iranian gas on a barter basis.

Diplomatic Relations Established With Thailand

AU0705075692 Kiev Radio Ukraine World Service in Ukrainian 1400 GMT 6 May 92

[Text] The Press Center of Ukraine's Ministry of Foreign Affairs reports that Ukraine and the Kingdom of Thailand have established diplomatic relations, as of 1 May 1992, by way of exchanging notes.

Ukraine now has contacts at the highest diplomatic level with more than 70 countries.

National Affairs

Constitution Defines Crimea as Part of Ukraine

LD0605183892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 6 May 92

[Announcer Tatyana Komarova report over video; from the "Novosti" newscast]

[Text] The statement by the Crimean parliament proclaiming the independence of the peninsula from Ukraine may bring Russia and Ukraine into direct confrontation. Observers note that, having voted for the very principle of independence rather than for the referendum, the Crimean parliament made a completely undisguised challenge to Kiev.

Today outside the parliament in Simferopol people stood holding placards, while in the parliament itself they are discussing the republic's draft constitution, in spite of the statements that can be heard from Kiev. True, we have just had a phone call from Simferopol reporting that the Supreme Soviet of the Crimea, in discussing the republic's draft constitution, has defined its position with regard to Ukraine more precisely. The following addition has been introduced by a majority of votes. The republic of the Crimea is part of the State of Ukraine and determines its relations with it on the basis

of a treaty and agreements. At this time discussion of the draft constitution is going on.

Crimean Constitution Elaborated

OW0705100692 Moscow INTERFAX in English 0937 GMT 7 May 92

[Transmitted via KYODO]

[Text] Late at night on Wednesday [6 May] the Supreme Soviet of the Crimea adopted the constitution of the Crimean republic. At the suggestion of the speaker Nikolay Bagrov a notable concession was made to Kiev: the constitution includes an article on Crimea's belonging to Ukraine.

Still MPs [members of parliament] are sure that the constitution will remain in force only till the independence referendum scheduled for August 2.

According to an independent observer in Simferopol, this was done to avoid confrontation between the Crimea and the Ukrainian authorities.

The same expert believes that the hasty adoption of the constitution was aimed against the possible introduction of direct presidential rule by Kiev and the dissolution of the Crimean parliament.

In line with the constitution the Crimea will be a presidential republic with a one chamber parliament. Sevastopol, the Black sea fleet base, is declared an inseparable part of the Crimea having a special status.

The official languages in the peninsula shall be Russian, Crimean Tatar and Ukrainian, legal documents shall be written in Russian.

Further on Constitution

LD0605210192 Moscow ITAR-TASS World Service in Russian 2025 GMT 6 May 92

[By UKRINFORM correspondent Lev Ryabchikov for TASS]

[Text] Simferopol, 7 May—The Crimean parliament session ended late on 6 May with the playing of the Republic of Crimea's national anthem after a majority of deputies voted to adopt the Crimean Constitution. The basic law says that the Republic of Crimea is a law-governed, democratic state. The Republic has supreme rights to the territory's natural riches and material and cultural and spiritual valuables, and implements its sovereign rights and complete power over the given territory. Those in the Republic's state bodies implement all powers except those it voluntarily delegates to Ukraine. The official language and language of business is Russian: Crimean-Tatar, Russian, and Ukrainian are state languages. The Constitution says that the Republic of Crimea is within [vkhodit v] the state of Ukraine and determines relations with it on the basis of treaties and agreements.

Reaction to Crimean Declaration of Independence

Final Law Curtails Crimea's Powers

PM0605151192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 May 92 p 1

[O. Musafirova report: "Dividing Up the Powers in Kiev..."]

[Text] Kiev—All the multistage talks, all the puffing and blowing by plenipotentiary delegations, all the dramas involving the oath and the hoisting of the yellow and blue flag or the St. Andrew's flag on ships—these things have nothing to do with the fleet. These are the routine moves in the sea war game played by the presidents of Russia and Ukraine. There have been no countermoves yet. But there may be. Because the disputed Black Sea Fleet is just a pretext for finally talking about some attractive, sunny territory, possession of which cannot compare with 300 warships. Here at least our local politics does not repudiate the assertion of the classic writers of the well known teaching. The struggle to divide up an already divided world in the CIS framework is in progress. Those who do not recognize that fact are simply refusing to see the obvious.

For its part, Ukraine has done a lot to avoid the countermoves. The law "On the Demarcation of Powers Between Ukraine and the Republic of Crimea," which was swiftly torpedoed by the Crimean deputies group in the Ukrainian parliament, has been adopted. Its final version, which includes the heading "On the Status of the Autonomous Republic of Crimea," left no doubts about who is more important in the duo of equal parliaments. Now and in the future the Crimean Supreme Soviet is instructed to deal with all questions which fall within its competence using the Ukrainian Constitution alone as a yardstick. Stylistic variations of the type "is coordinated with the Crimean Supreme Soviet" in the article dealing with the stationing of military bases and other similar installations on the peninsula have been converted into the finished and rigid construct "is carried out while notifying the Republic of Crimea Supreme Soviet." The provision which originally proposed siting a Crimean permanent mission in Kiev has been completely removed: The latter is not a sovereign state equal in status to Ukraine. For the especially dim-witted, Article 2 has been formulated thus: "The territory of the Republic of Crimea cannot be altered or transferred to another state."

Thus talk of a federal structure for Ukraine has once again been firmly rebutted. But as the majority of deputies who voted for the law believe, very broad powers have been granted. It would be a mistake for Crimea to take offense, still less hold a referendum now. But the 10 Tavrian [Crimean] people's elected representatives who saw their rights and freedoms snatched away and who accused official Kiev of neoimperial ambitions were labeled "separatists with far-reaching plans." It was also decided to deem the phrase "the people of Crimea"

unseemly within the confines of Ukraine. However, no one ostentatiously walked out of the hall: Friendship was the winner...

Ukraine Presidium Discusses Crimea

LD0605194892 Kiev Ukrayinske Radio First Program Network in Ukrainian 1702 GMT 6 May 92

[Text] The Ukrainian Supreme Soviet Presidium met on 6 May to discuss the Crimean Supreme Soviet's adoption of an act proclaiming Crimean state independence. It was noted that the Ukrainian Supreme Soviet adopted a law on 29 April on the status of the autonomous Republic of Crimea after prolonged and painstaking work by a delegation from the Ukrainian Supreme Soviet and the Crimean Republic. The law gives the Crimean Republic a broad range of powers, making it possible to resolve independently questions on the Republic's social, economic, and spiritual development. Disregarding the possible negative political and economic consequences, the Crimean Supreme Soviet has endorsed an act proclaiming Crimean state independence, displaying a haste which could destabilize the Crimean and Ukrainian situations. It was emphasized at the meeting that the act endorsed by the Crimean Supreme Soviet contravenes Ukrainian constitutional statutes on the inviolability and integrity of her territory and does not meet the constitutional norms which state that the adoption of decisions on the Republic's national and state system is left exclusively to the Ukrainian Supreme Soviet. With the adoption of this act, the Crimean Supreme Soviet has also violated Ukraine's law on the status of the autonomous Republic of Crimea, which specifies that the Crimean Republic is an autonomous, (?integral) part of Ukraine. The Presidium has charged corresponding commissions of Ukraine's Supreme Soviet and judicial services with preparing conclusions on the conformity of the act proclaiming Crimean state independence with the Ukrainian Constitution and Ukrainian laws and with submitting them for consideration to Ukraine's Supreme Soviet. Ukrainian Prime Minister Vitold Pavlovych Fokin delivered a speech at the Presidium meeting, which was chaired by Ukrainian Supreme Soviet Chairman Ivan Stepanovych Plyushch.

'Flagrantly Violates' Ukraine Constitution

LD0705105592 Moscow Radio Rossii Network in Russian 1000 GMT 7 May 92

[Text] According to the RIKA agency, the Crimean Supreme Soviet's declaration of state independence has provoked a sharply negative reaction in Kiev. A decision by the Ukrainian Parliament in this regard says that the decision of the Crimean Supreme Soviet flagrantly violates the Ukrainian Constitution.

Cabinet Rejects Independence

LD0605192292 Moscow ITAR-TASS in English 1907 GMT 6 May 92

[Text] Kiev May 6 TASS—The declaration of Crimean independence is an infringement on Ukraine's territorial integrity, violates the republic's Constitution and will be regarded by the civilized community as a gross violation of the status quo in Europe and international norms and agreements, the committee for nationalities of the Ukrainian Cabinet of Ministers said in a statement today.

On May 5 the Crimean parliament under pressure of separatist and chauvinist forces passed a declaration of state independence of the Republic of Crimea and on holding a Crimean-wide referendum to support it, the document says.

Declaring Crimea's independence is "a tragic road to splitting the Crimea with unpredictable consequences", it said.

"At a referendum last December 1 most residents in the Crimea voted for Ukraine's state independence, confirming their desire to live in Ukraine. The holding of a Crimea-wide referendum on secession from Ukraine is unfounded," it said.

The committee for nationalities expressed hope that "the multinational population in the Crimea will show wisdom and will not be deceived.

Ukrainian Deputy Cited

LD0605130492 Moscow POSTFACTUM in English 1230 GMT 6 May 92

[From the "Politics" section]

[Text] Kiev—Ukranian Parliament Deputy Speaker Vladimir Grinev: The Crimea came up with the unambiguous proposal to switch to more serious relations with Ukraine. Grinev also told PF [POSTFACTUM] that in the act on state independence, which was adopted by the Crimean Supreme Soviet on May 5, one may see the Crimea's desire to gain extensive rights and record them in a treaty with Ukraine. In Grinev's view, the text of the act specially uses the notion of state independence because as Grinev believes there is no unequivocal attitude to independence in the Crimea. The proclamation of the act on state independence is a political rather than legal event: The act can acquire the force of a legal document only after a referendum in the Crimea, Grinev argues. For the present, not everything is lost for Ukraine in the Crimea, Grinev observed. He sees a solution of the problem of the Crimea's status as peaceful, consistent and lawful—Ukraine needs to respond to the Crimea's call for starting a treaty process and power methods are a hopeless path, Grinev believes. The Ukrainian Supreme Soviet Presidium meets in session in Kiev on May 6 to discuss the situation in the Crimea. The

presidium is expected to express its attitude to the Crimean problem and will possibly map out ways to solve it.

Admiral Kasatonov Cited

LD0605183492 Moscow POSTFACTUM in English 1812 GMT 6 May 92

[From the "Politics" section]

[Text] Moscow—Igor Kasatonov, commander-in-chief of the Black Sea Fleet: Declaration of the state independence of the Republic of Crimea is, to my mind, approval and support of the Black Sea Fleet position by Crimea's peoples.

As Admiral Igor Kasatonov, commander-in-chief of the Black Sea Fleet, told PF [POSTFACTUM] on May 6, in his opinion, Sevastopol authorities adhere to another viewpoint which is contrary to the Black Sea Fleet officers attitude who stand in the overwhelming majority for a unified fleet. Admiral Kasatonov also expressed his dissatisfaction with the results of the talks in Odessa and stressed that lack of determination will not lead to something good. Speaking at a meeting with veterans on May 6, commander-in-chief of the Black Sea Fleet said that the fleet is under control and in full fighting trim. He did not give any assessments of the political situation in this audience. Igor Kasatonov's press conference on the decision of the Supreme Soviet of Crimea is planned on the evening of May 6.

As Captain Andrey Labeznikov, Black Sea Fleet's press center chief, told PF over the phone, declaration of the state independence of the Republic of Crimea was received by the fleet's personnel with enthusiasm. However, Labeznikov said, the fleet's leaders and larger part of the officers do not reckon that the conflict will stop at this point and that a way out of the situation has been found. This was also confirmed in a conversation with PF by Captain Anatoliy Danilov, Ukraine's Navy staff officer, who said that the act on declaration of the state independence of the Republic of Crimea does not have any legal force. In his opinion, this is, so far, only a wish and strife which should be confirmed by popular vote. Declaration of the state independence of the Republic of Crimea can take effect only after a referendum.

The fleet's officers are afraid of consequences of the decision of Crimean Supreme Soviet. Thus, e.g., Commander Boris Yakutovich, Black Sea Fleet staff officer, told PF: Retaliatory measures are not excluded from the side of Ukraine's leadership, including dissolution of the Armed Forces of Crimea, introduction of the president's rule. This is felt in the actions of Ukraine's leaders, in particular, in the fact of dismissal of Major-General Valeriy Kuznetsov, Army Corps commander. I would like that the crisis in the relations between Ukraine and Russia did not aggravate. Maybe, it is sensible to establish a moratorium of Ukraine's and Crimea's Supreme Soviets on their decisions before the referendum is carried out. I would like a way out of this difficult situation be found, and parliaments of Ukraine and Crimea pay greater attention to economic questions of improving the everyday life of their citizens, not to political struggle.

Rukh Circulates Appeal

LD0605195292 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 6 May 92

[Correspondent V. Lyaskalo reports; from the "Novosti" newscast]

[Text] The people's Rukh [Ukraine People's Movement for Perestroyka] has circulated an Appeal to the Citizens of the Ukraine, in which it states that the act of proclaiming state independence by Crimea is in contradiction to the Constitution as well as all international agreements on changes to borders. The leadership of Rukh is addressing to all sociopolitical organizations an appeal to hold protest rallies in the towns and villages of Ukraine against the adventurist encroachment of the Crimean authorities on the territorial integrity of Ukraine. Ukraine is in danger, is how this appeal by Rukh ends.

Dissolution of Crimean Parliament Urged

LD0605214592 Kiev Ukrayinske Radio First Program Network in Ukrainian 1908 GMT 6 May 92

[Text] The republic, Ukraine, continues to worry about the matter that we were just discussing with you on the air, and as reported by Rostyslav Onyshchak, leader of the information service of the Ukrainian Republican Party, there was a meeting of the party's leadership today. It was decided at the meeting to demand that the Ukrainian Supreme Soviet annul the Act passed by the Crimean parliament proclaiming state independence; that it dissolve the Crimean Supreme Soviet and introduce direct presidential rule on the peninsula.

The Ukrainian Republican Party plans to picket the Ukrainian parliament with these demands on 12 May, on the day that plenary sittings begin, while on 17 May it is planned to hold protest meetings in oblast centers with similar demands.

Protest Rally Held

LD0605204992 Moscow ITAR-TASS in English 1954 GMT 6 May 92

[By UKRINFORM correspondent Aleksandr Litvinov]

[Text] Kiev May 6 TASS—Participants in a protest rally held in Kiev's Independence Square today blasted the Crimea's independence declaration.

The rally was organized by the Rukh Movement and the Fatherland Society for Defence of Ukraine's Declaration on State Sovereignty.

Ukrainian lawmakers and public representatives who spoke at the rally said that the document passed by the Crimean parliament violates Ukraine's constitution, its territorial integrity and laws and aims to whip up ethnic tensions.

In a resolution passed at the rally, participants demanded an immediate disbandment of the Crimean Parliament and the introduction of direct presidential rule over the peninsula until a new election.

Organizers called on Kievans to come to Ukraine's Parliament on May 12 when the parliament resumes session to press their demands.

Independence 'Tragic Road' to Split

LD0705101992 Kiev Radio Ukraine World Service in English 0000 GMT 7 May 92

[Text] On 5 May the regional parliament of the Crimea, under pressure of separatist and chauvinistic forces, adopted an act on proclaiming the state independence of the Crimea and holding a referendum to confirm this. Being used again is one and the same scenario which threw thousands of people into the fire of ethnic hostility and discord, innocent victims of the policy of power-mongers and adventurers. The Committee on Ethnic Affairs believes that the act on the proclamation of the state independence of the Crimea is an attempt on the territorial integrity of Ukraine which contradicts not only the constitution of Ukraine, but will be perceived by the civilized society as a flagrant violation of the status quo in Europe, international norms and agreements, and this, naturally, will lead to the political and economic isolation of the Crimea.

The proclamation of the state of independence of the Crimea is a tragic road to the split of this republic, the results of which are unforeseen. At the referendum on 1 December the majority of the Crimean residents voted for the state independence of Ukraine and thus confirmed their aspiration to be part of it. Therefore, the holding of the all-Crimean referendum on a secession from Ukraine does not have any grounds. It cannot have any legal force.

The population of the Crimea enjoy the same rights and freedoms granted to all citizens of the Ukrainian state. The Supreme Soviet of Ukraine granted these rights to the Crimea, thus a question arises: Who is to gain from all that is happening in the Crimea? We hope that the multinational population of the Crimea, being aware of their political responsibility for the possible uncontrollable development of events in that republic, will manifest wisdom and will not allow themselves to be led astray by irresponsible politicians and separatists.

Peace Council Appeals to Crimea

LD0705084592 Kiev Ukrayinske Radio First Program Network in Ukrainian 1911 GMT 6 May 92

[Text] Today Academician Oles Honchar, head of the Ukrainian Peace Council, made public his appeal to the inhabitants of the Crimea. It concerns the decision of the Crimean Supreme Soviet to hold a regional referendum on 2 August. It is simply unbelieveable, points out Oles Honchar, that the people of the Crimea have agreed to be a blind instrument in the hands of irresponsible politicians. It is not difficult to grasp that this artificial and provocative referendum is aimed at sowing hostility between the inhabitants of the peninsula and all of Ukraine.

It is clear today to every civilized person that disputes and conflicts and imperial [word indistinct] are without a future in the present-day conditions. One believes that the Crimea will make the right choice and will not permit itself be manipulated by those who thoughtlessly give way to their speculative political ambitions, and who are ready to betray the people's interests. This was stressed by Oles Honchar.

Workers' Group Against Independence

LD0605215292 Kiev Ukrayinske Radio First Program Network in Ukrainian 1910 GMT 6 May 92

[Text] In connection with the adoption by the Crimean parliament of an act proclaiming state independence, the Presidium of the All-Ukrainian Workers' Solidarity Association [AWSA] has adopted a decision to delegate its own permanent representative to the Crimea. As reported to correspondents of the Television and Radio News Agency by AWSA head Oleksandr Ivashchenko, the association will be conducting agitation work at enterprises and organizations; and will be voting during the referendum for the Crimea not to leave the composition of Ukraine.

Deputies, Producers Discuss Economic Issues

AU0705121392 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 30 Apr 92 p 2

[Article by L. Dayen: "One Has To Pay for Credits. A Meeting Held by People's Deputies and Directors of Enterprises in Ukraine's National Bank"]

[Text] It was believed relatively recently that the language of figures is a dry language and that finances are a matter for a narrow circle of professionals to deal with. However, today, when all of us live in conditions of an acute economic crisis, shortages, and unrestrained inflation, every one of us has become a kind of financier. Unfortunately, we have become used to the unbridled rise of prices. Even those people who never studied at institutions of higher or secondary vocational learning are trying to adapt to the incredible zigzags of the indexation. This is our bitter everyday reality.

However, in this particular building with an original architectural facade, the talk of money is a usual working topic. However, even here, in Ukraine's National Bank, the financial and credit problems are presently perceived with particular acuteness.

A few days ago, V. Hetman, the chairman of the bank's board and a people's deputy, spoke at the parliament session about the financial and credit situation in Ukraine. He offered a profound analysis of the state of affairs in this difficult branch and touched upon a number of its particularly acute problems and ways to overcome the difficulties.

However, the theme is so painful that the discussion was continued the next morning. That time it was transferred from the session hall to the office of the chairman of the bank's board. Parliamentarians, members of the board, and directors of Ukraine's leading industrial enterprises gathered there. Passions boiled, predictions were made, precise estimates were quoted, and weighed arguments offered.

Yu. Zvyahilskyy, director of the well-known Donetsk mine imeni O. Zasyadko and a people's deputy, spoke about his anxieties:

"Our collective works in a stable manner. From the beginning of the year, we have already extracted 130,000 tonnes of coal above plan. However, we have no money to pay the miners' wages. Nor have we any capital to purchase machinery. The point is that our subcontractors owe us 900 million rubles. The situation is so bad that we might as well send all the 13,000 miners on vacation...."

"The chain of these debts is as follows. The mine ships coal to a coke-oven factory. The latter supplies the coke to the 'Azovstal' steel plant, which sends the metal to its partners, including those in Russia. The partners in Russia are insolvent debtors. The vicious circle has closed."

Other similar examples were also quoted. The directors spoke about there problems. The sad account of such facts could be continued. However, the chairman of the bank's board turned to those present with a call to make constructive proposals regarding ways of emerging from the present extremely difficult situation. After all, this is the main goal.

Such proposals were made. The people's deputy V. Lobach said:

"People have much freely convertible currency in their possession. I believe that we need money changing stations to be opened to enable selling and exchanging currency at a corresponding rate. Today, these operations are performed on the black market. The state loses much on this. There is more to it: In view of the fact that we are experiencing shortages of cash, coupon books must be introduced in savings banks to which wages could be transferred for the people.

These apt proposals were received by the participants in the conference with interest.

A. Yagoferov, the director of the Luhansk machine building imeni Parkhomenko and a people's deputy, dealt with acute aspects of economic ties between enterprises of Ukraine and CIS countries. He suggested that emission of unsupported money should be stopped. He proposed that a system of transferable bills be introduced in Ukraine for conducting mutual settlements.

A number of useful proposals were also made by the people's deputies Yu. Smyrnov, V. Yevtukhov, Yu. Ioffe, the first deputy chairman of the bank's board M. Syvulskyy, and the director general of the "Kiev Radio Factory" D. Topchiy.

The participants in the discussion pointed out that the delayed restructuring of the system of economic ties was one of the reasons for a slowing down of the financial settlements. The enterprises dispatch products without knowing whether their subcontractors are solvent at all; the subcontractors sometimes turn out to be simply bankrupt. A corresponding agreement has now been signed with Russia. It stipulates that the form of demands for payment in the relations between subjects will cease to function on 1 June. However, even today, Russia is pursuing a stringent financial policy and does not provide enterprises with loans for paying for the raw and other materials and products received from us. At present, its debt to us is almost 20 billion rubles greater than our debt to Russia. Particular attention was given to the problem of circulating capital. In short, a reassessment of values is under way.

Western businessmen, brothers Bohdan and Ihor Mysky were present at the meeting with producers and bankers. One of them lives in the United States and the other in Germany. They are ready to establish business contacts with our entrepreneurs and financiers and to contribute to the development of the economy of independent Ukraine. They were represented by the well-known economist Bohdan Havrylyshyn.

V. Hetman pointed out that the discussion was useful and promising. Let us hope so.

It is now the turn of Ukraine's president and government. The participants in the meeting remarked that the president and the government must demand that the leadership of Russia give solid guarantees of payment for our products in accordance with interstate agreements.

Private Housing, Land Plots Grow Around Odessa

PM0705102892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1100 GMT 6 May 92

[From the "Novosti" newscast: Video report from Odessa by S. Fateyev]

[Text] [Fateyev] Around Odessa now, whichever way you look, what I would call a new, second Odessa is rising up. Construction materials are not available but you are simply amazed: Towers, palaces, cottages, and

small houses are rapidly rising up. In brief anyone who can find somewhere will unfailingly restore it even if it is from underground because it is for himself. Almost 100,000 families, almost one quarter of them from Odessa, have already acquired land and it is feeding them quite well and anyone with the slightest opportunity to do so is on his plot of land today. Do you have a plot too?

[L.A. Chernega, chairman of the Odessa City Soviet] Yes, I have a plot of land, 65 km from the city. My wife is employed in production but last year I did not buy potatoes, cucumbers, tomatoes, onions, or garlic—I harvested it all from my own plot of land.

[Fateyev] Chernega, who was recently elected to this post, is in a resolute mood: Land should be given to literally every city dweller who wants to work it.

Moldova

Conciliation Commission Discusses Conflict

LD0705091992 Chisinau Radio Chisinau Network in Russian 1800 GMT 5 May 92

[Text] A session of the Conciliation Commission was held at Bendery town Executive Committee today, seeking a settlement of the conflict in Dniester's left bank rayons of the Republic of Moldova, reports MOLDOVAPRES. The commission includes representatives of the Moldovan Government and leaders of local authority bodies in rayons of the Dniester region led by First Deputy Prime Minister Konstantin Oborok, as well as leaders of the so-called Dniester Republic, led by Aleksandr Karaman. Taking part in the work of the session are most of the members of the Joint Commission monitoring the cease-fire and keeping sides involved in the conflict apart.

The session started an hour late because, according to a statement by Aleksandr Karaman, the notorious vice president of the self-proclaimed Dniester Republic, the funeral of one of the dead guardsmen had been taking place in Tiraspol.

Opening the meeting Konstantin Oborok informed those present of the basic principles for holding the talks, which are intended to lead to a peaceful settlement of the conflict. The main ones are recognition of the independence and integrity of the Republic of Moldova. The Tiraspol Commission presented its own declaration, which stresses the immediate and complete withdrawal of all armed units involved in the conflict to their permanent bases.

According to a MOLDOVAPRES correspondent, the sides exchanged opinions on the documents which were presented, and then began examining the specific proposals which they contain.

'Fragile Peace' Prevails in Dniester Region

LD0705085792 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1400 GMT 6 May 92

[Report over video by correspondent M. Zotov, identified by caption, including recorded remarks by unidentified official; from the "Novosti" newscast presented by Tatyana Mitkova]

[Text] Just as before the peace in the Dniester region is a fragile one. It was frequently broken, however, by short exchanges of fire during the night in the area around Dubossary. Over the last 24 hours in the other conflict zones the truce was observed in the main by the forces of the Dniester region and Moldova.

The work of the conciliatory commission in Bendery on a settlement of the armed conflict in the Dniester region has become yet another attempt to resolve two problems that have come to a head—the observation of the joint agreement by the two sides on a cease-fire, and separating the armed formations in the confrontation zone.

In Bendery the separating of the two sides' formations has already taken place. Seven posts are operational in the town at which representatives of the deputy corps of the Dniester region and Moldova, and two representatives each of the police and the militia are working. The principle of breaking up the conflicting sides in the area of Dubossary and in the area around the village of Durovskoye will evidently be somewhat different. The trenches of the Dniester region and Moldova will be occupied by 100 representatives of the officer corps from each side—from Ukraine, Moldova, Romania, and Russia.

[Unidentified official] For the moment military observers are operating in four districts. These are the Ribnita district, the Dubossary rayon, the area around the village of Gorodskoye, and the area around the town of Bendery.

In the opinion of Vladilen Vlasov, Russia's charge d'affaires, the political decision on the separation of Dniester region guards and the forces of Moldova already exists. However, who will drive the bulldozers to plow up these trenches?. [video shows paramilitary in the streets and countryside, scenes at meeting and in trenches]

Internal Affairs Ministry on Dniester Situation

LD0705105192 Moscow Mayak Radio Network in Russian 0900 GMT 7 May 92

[Text] The press office of the Moldovan Ministry of Internal Affairs today distributed a report which notes that on the afternoon of 6 May a helicopter carried out a reconnaisance and observation flight over the positions of the Moldovan Police near the village of Kochier. Some time later armed formations of the Dniester Region opened intensive fire from all types of weapons, including Alazan devices, from the direction of (Kozhiva village) and Dubossary.

The Moldovan Ministry of Internal Affairs fire was targeted at police positions near Kochier and the neighboring village of (Golyrkan). Firing lasted for no longer than an hour.

According to the Ministry of Internal Affairs, the situation was fairly calm last night in the conflict zone.

Information from the press center of the Dniester Region Supreme Soviet says that subunits of the Moldovan Police attacked guardsmen in the Dubossary area. One person was wounded during the fighting. The press center also reported that during an exchange of fire a mortar fell on the balcony of a block of apartments in Dubossary. A man and woman in an apartment were injured.

Moldova Begins Draft Into National Army

PM0605152292 Moscow ROSSIYSKAYA GAZETA in Russian 6 May 92 First Edition p 1

[Report from ROSSIYSKAYA GAZETA-ITAR-TASS column: "Moldova Drafts New Recruits"]

[Text] Drafting into the national army begins in Moldova today. In this connection Moldova's military commissar General Tudor Dabizha addressed young people on national radio. He said that persons of the appropriate age across the entire territory of the republic are subject to the draft. The military commissar warned draftees, especially natives of the Dniester region and regions with a dense Gagauz population, about liability for evading service in the ranks of Moldova's armed forces. Under the laws adopted in the republic, for evading service in Moldova's national army they could be imprisoned for a term of between six months and five years.

Romanian Movement Nomination Surprises Druc

LD0605152892 Chisinau Radio Chisinau Network in Russian 1800 GMT 5 May 92

[Text] A MOLDOVAPRES agency correspondent has spoken on the telephone to Mircea Druc who is in Bucharest. He has been nominated as candidate for the post of president by the Romanian Ecology Movement. The chairman of the Christian Democratic Popular Front said: The decision by the Congress of the Romanian Ecology Movement came as a surprise to me.

He will now be meeting with representatives of the movement, discussing this issue, and clarifying certain matters on which (?he) is not yet clear. Generally speaking, ecology is a national problem, a science, a strategy, and in the final analysis a political orientation. Therefore the president of Romania must also be an ecologist.

When asked about his intentions Mircea Druc answered that a decision by the (?third) Congress of the Christian Democratic Popular Front envisions participation in the Romanian elections by all citizens living on Romanian territory.

Druc Interviewed

AU0705091292 Bucharest CURIERUL NATIONAL in Romanian 1 May 92 pp 1, 4

[Part one of interview with Mircea Druc, president of the Christian Democratic Popular Front of Moldova, by Anatolie Gondiu; place and date not given: "For Me World War II Has Not Ended!"]

[Text] [Gondiu] Although you do not like to appear in the mass media, as far as interviews are concerned, you are surely the absolute champion of the Republic of Moldova since you seem to have answered all possible and impossible questions. I will not even try to find an original beginning and therefore I will ask you the most trivial question: What was yesterday like?

[Druc] It was a very busy day. A lot of visitors; journalists from Belgium, France, and from our country. Then there were representatives of various associations and companies who had come with aid for the refugees. I also met with a delegation of U.S. businessmen of Romanian origin. I worked a lot and I hope not in vain.

[Gondiu] This means that you also had some pleasure.

[Druc] I am not given to extreme emotions, but have always tried to be calm and reasonable.

[Gondiu] Should I understand that you have become so political that you no longer have pleasures and worries like a... like other mortals?

[Druc] You should understand that I am not prepared to share my joy and trouble at the first opportunity. And I am even less prepared to do so when it comes to journalists who always try to make everybody else derive some illusory joy from one's private affairs.

[Gondiu] I expected a different answer.

[Druc] I am glad that I disappointed your expectations.

[Gondiu] Anyhow, I am going to ask the question I had planned to ask, although it has nothing in common with what was said before: Is there any way out of the situation in which we find ourselves?

[Druc] Who finds himself in this situation?

[Gondiu] The Moldovan country.

[Druc] My dear gentleman, there is peace and quiet in the Moldovan country—in Dorohoi, Husi, and Suceava. If, however, you are referring to the so-called Republic of Moldova, that is another matter.

[Gondiu] Does this term of "so-called" suggest that you and the movement you are leading do not recognize the existence of such a republic?

[Druc] I recognize continuity. At least in thought, if we are unable to ensure it in the happening of events. My homeland, Romania, was attacked in 1940 as the Baltic countries were attacked, the latter being completely swallowed, while Romania was only partially swallowed.

For me World War II has not yet ended. It is our duty, as it is the duty of the world community, to outline the true boundary of this country as was done in the case of Germany on the territory of which Stalinism also created a republic. As a matter of fact, there has always been resistance in the occupied territories on the left bank of the Prut River. If my memory does not fail me, the last fighter was captured, arms in hand, in 1951. By an absurd coincidence, his name was Bodiul, that is the namesake of the satrap Ivan Bodiul. This is how history amuses itself. After 1951 this movement became a clandestine movement. I joined it in 1959. To recognize the Republic of Moldova de jure would mean to recognize the Ribbentrop-Molotov Pact. You—if you like—may recognize it. I myself—will not! Actually, do not believe by any means

that you are the first one who obliges me to talk about this subject. I told a deputy in Moldova's parliament that I was ready to admit the existence of the Republic of Moldova on one condition—that the Unification Act of 1918 be waived; during a session meeting, on the basis of individual voting! For the time being, however, the Unification Act exists. Therefore...

[Gondiu] I am afraid I have deviated from our subject. I take the liberty to return to my question in connection with how to get out of this situation.

[Druc] There has always been a way out. The only thing is that in politics it is both difficult and unrewarding to come up with solutions.

[Gondiu] And yet...

[Druc] Your persistence has another name in our village, not persistence. I can see that I am driven to the wall... Second, if we do have a republic then we should conclude a treaty of mutual assistance, understanding, and cooperation with Romania that would stipulate the creation of a common economic area. Third, let us urgently introduce the Romanian leu. Maybe—for some time—parallel with our own national currency. Only in this way will we be able to give an impetus to the activity of producers, who—at this time—are simply stifled by the industrial "moguls" from the countries in the area of the ruble. That is all.

[Gondiu] You have forgotten to tell us what we should do first of all.

[Druc] I have not forgotten, don't you worry. I have not said anything about it because everybody knows it. We have to leave the CIS. Actually, it would have been ideal not to have joined this hora in the first place.

Kazakhstan

Businessmen Keep 500 Million Dollars Abroad

LD0605220192 Moscow POSTFACTUM in English 0958 GMT 6 May 92

[From the "Business News" section]

[Text] Alma-Ata—According to unofficial information, Kazakh businessmen keep some 500 million dollars on their foreign banks accounts.

The large-scale outflow of hard currency from the republic, according to a group of Kazakh economists, who have done these calculations on the basis of recommendations from the Washington Institute on International Finances, is provoked by high tax rates and the obligations of the depositors to sell 40 per cent of their currency to Kazakhstan to repay the republic's foreign debt, at the exchange rate set by Kazvhesheconomibank. According to the information from Albaraka-Kazakhstan International Commercial Bank, a full-fledged member of the foreign currency exchange of Kazakhstan republic, the first trading session at the exchange will be held on May 25-26.

Communist Party Refused Registration; Appeals

LD0605162292 Moscow ITAR-TASS in English 1310 GMT 6 May 92

[By KAZTAG correspondent Ivan Zakharchenko]

[Text] Alma Ata May 6 TASS—Leaders of the restored Communist Party of Kazakhstan have asked lawyers in Moscow to comment the legality of the refusal by the Kazakh Justice Ministry to register their party, central committee member Valentin Akimov said.

Lawyers said the motives for the refusal were political rather than legal.

This prompted the leadership of the Kazakhstan Communist Party to appeal the decision in the republican high court.

If the supreme court fails to resolve the issue, it plans to appeal to international juridical organizations and take other measures to preserve the party with a membership of about 50,000 people, according to its leaders.

Considerably more people support the party, leaders said.

Privatization Decree Gives State Control

PM0605152092 Moscow IZVESTIYA in Russian 6 May 92 Morning Edition p 1

[Vladimir Ardayev report: "Kazakhstan Begins Privatization. The State Has a Controlling Stake for the Time Being"]

[Text] Alma-Ata—The Kazakh president's new decree is aimed at "accelerating market transformations, broadening the scale of the destatization and privatization processes, and making them more orderly." At the same time the decree reserves for the state the right to manage joint-stock enterprises.

The decree is titled "On Measures To Step Up Work on Destatization and Privatization of Property in Spheres of Material Production." The State Committee for State Property, administrative organs, and heads of local administrations are instructed to step up this work. However, the main burden will fall on the economically accountable privatization bureaus that are being set up everywhere by the State Committee for State Property to act as intermediaries between sellers and buyers.

The procedure itself for transforming state enterprises into other forms of property will henceforth consist of three basic stages. In order to become a candidate for privatization, all the enterprise has to do is submit and register an application. The economically accountable bureau then carries out an expert analysis of its financial and economic activity, assesses the value of its assets, and prepares the necessary documents. Next it suggests to the enterprise the specific form in which ownership could be transformed. The labor collective then discusses this proposal, and within a week the articles of incorporation and other founding documents are formulated and adopted.

This same presidential decree resolves "to recognize the issuing of shares in enterprises and organizations and the establishment on this basis of open-type joint-stock companies as the basic form of transforming state ownership." In order to acquire shares, members of the labor collective, including those who have retired on pension, are allocated investment coupons free of charge—this is how start-up opportunities are created for them. The total number of coupons should be enough to acquire a maximum of 25 percent of all the shares of a particular enterprise—this is the share of those who work at the enterprise.

The top leaders of enterprises and organizations converted to joint-stock companies are to be hired on contract. They too will be allocated coupons—five times the number issued to a single "average" worker.

Of the 25 percent of the shares acquired by the labor collective, 15 percent are ordinary shares and 10 percent are preferential. All these shares are nominal and nontransferable, and the rights associated with them can be passed on only through inheritance. If a worker leaves the enterprise, his shares cannot be bought back for five years.

How will the subscription for the remaining 75 percent of the shares be handled? Five percent can be sold to members of the labor collective at face value, 10 percent to related and other enterprises and outside physical persons at face value or the going rate, and another 10 percent to foreign shareholders. In the absence of the

latter, they can also be sold off "outside." However, under the decree, the controlling stake remains the property of the state in the form of the State Committee for State Property and its territorial organs. The owner determines who will hold the controlling stake—the Ministry of Finance, banks, special financial companies, and other organs in possession of a state license.

One more special point: "In the transitional period of the formation of a market economy the taking of state enterprises and organizations into private ownership by persons who are not citizens of the Republic of Kazakhstan is not permitted."

This is the course of economic reform that has currently been chosen by the Kazakh leadership, which believes that despite the change in forms of ownership, it is still necessary to preserve the state monopoly on managing enterprises. Time will tell whether this course will speed up or slow down the movement to a natural, free economy.

Kyrgyzstan

Akayev Hopes for Goodneighborly Ties With PRC

OW0705125892 Moscow INTERFAX in English 1159 GMT 7 May 92

[From "Diplomatic Panorama" feature; transmitted via KYODO]

[Text] The forthcoming (12-16 May) visit to Beijing by an official delegation from Kyrgyzstan to Beijing, led by President Askar Akayev, is called upon to lay a firm foundation for bilateral cooperation. This has been declared by the International Department's Chief at the Kyrgyz President's Office Erkin Makeyev. Talking to the DP [Diplomatic Panorama] correspondent in Bishkek, he pointed to Kyrgyzstan's desire to have proper goodneighborly relations with China.

In E. Makeyev's words, until recently, Beijing reacted to Bishkek's initiatives with "some restraint." The documents, which were drafted by Kyrgyzstan and which it would like to discuss in Beijing, are called upon to invigorate cooperation. They include an agreement on mutual investments' protection and protocols on Foreign Ministries' cooperation to promote trade and economic ties.

Draft Begins for Republican, CIS Armed Forces

LD0405130492 Moscow Radio Rossii Network in Russian 0900 GMT 4 May 92

[Text] RIA reports that Kyrgyzstan announced the spring call-up to the army. Under an agreement reached by the republican government and the CIS Joint Armed Forces General Staff, Kyrgyzstan has to supply 11,000 conscripts, 4,000 of whom will serve within the republic while the others will go to the strategic forces in Russia.

80 Percent of Budget Goes to Imported Fuel

LD0105153892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 27 Apr 92

[Correspondent V. Fedorov reports; from the "Novosti" newscast]

[Text] In Kyrgyzstan, virtually all cargoes are delivered by truck, with a little by air and water on Lake Issyk-Kul. For many shepherds and herders high in the mountains, the kerosene lamp remains the sole source of light. But Kyrgyzstan does not have its own petroleum products, everything is brought in from outside. During the USSR epoch, expenditure on fuels amounted to 10 percent of the republican budget. Such are the initial data for a forecast for the near future.

[S.A. Kurmankozhoyev, general director of Kyrgyzneftepродukt republican industrial association] If we take even gasoline at seven rubles, that works out at about 4.5 billion. Diesel fuel has to be counted in, too. We take somewhere around 50,000 tonnes of lubrication oil, that's 1.5 billion already. That works out at about 10 billion, that is more than 80 percent of the republican budget. I do not know, in such cases it is almost impossible to survive.

[Fedorov] And here is some news just in: it has been decided to organize the manufacture of bicycles in the oblast center of Dzhalal-Abad; and in Bishkek, the local vehicle assembly works is to start production of horse-drawn traps; the Agricultural Machinery Works named after Frunze has remembered horse-drawn harrows, and the prices of donkeys have soared at the Bashe cattle market.

Tajikistan

Further on Continuing Conflict in Dushanbe

CIS Blockade of Airport Denied

LD0605171292 Moscow Programma Radio Odin Network in Russian 1500 GMT 6 May 92

[Text] Colonel Aleksandr Suvorov, head of the press center of the CIS border troops, told ITAR-TASS today: Reports to the effect that border troops have blockaded the airport of the city of Dushanbe are false. Border troop sub-units stationed in the capital of Tajikistan are preserving neutrality and are not interfering in the conflict between the opposition and the republic's leadership. The only thing that has been reinforced is the guard at a number of military installations, including the airborne border unit stationed at the airport, which, clearly, gave rise to the rumors and false interpretations.

In connection with the events in Tajikistan, border protection has also been stepped up. This arises from the fact that the probability of the entry into the republic of large consignments of weapons from the Afghan side cannot be ruled out, Aleksandr Suvorov said in conclusion.

Opposition Urges Coalition Talks

OW0605185292 Moscow INTERFAX in English 1806 GMT 6 May 92

[Transmitted via KYODO]

[Text] The Tajik opposition has urged President Nabiyev to start talks on peaceful settlement of the internal conflict by shaping a coalition government of national accord pending the adoption of a new constitution and new elections. The opposition's statement was broadcast on Wednesday [6 May] on opposition-controlled TV.

The opposition believes that the government should consist of the opposition leaders, prominent intellectuals, the leader of Tajikistan's Muslims, plus Prime Minister Akbar Mirzoyev and his two deputies.

According to IF [INTERFAX] sources, the situation in Dushanbe is relatively calm. The streets are patrolled by OMON [special purpose militia detachment] units and by self-defence groups set up by local residents.

Speaking on TV, OMON Commander Sergey Vasilenko said that OMON did not interfere in the political struggle and that its business was to maintain order. Representatives of the Tajik Interior Ministry and of the Dushanbe Interior department stated that they did not intend to interfere in the conflict. They said their mission was to maintain order and combat crime.

The Tajik Interior Ministry reports that two people were wounded and one militiaman was killed during clashes in Dushanbe and its suburbs. The exact number of victims among civilians is not known.

Officials Join Opposition

LD0705014692 Moscow Radio Rossii Network in Russian 0100 GMT 7 May 92

[Text] NEGA news agency reports from Dushanbe that the president's guard is still attempting to seize the region of the TV center, which is under the control of opposition forces.

According to the latest information, the Dushanbe commandant, Major General Mamadzhanov; Deputy Interior Minister (Kakharov); and Interior Minister Navzhuvanov have gone over to the opposition. The head of the Dushanbe Special Purpose Militia Detachment has also stated his loyalty to opposition forces.

Nabiyev in National Security Building

LD0705102592 Moscow Radio Rossii Network in Russian 0900 GMT 7 May 92

[Excerpt] Tajik president Rakhman Nabiyev and Safarali Kenjayev, chairman of the republican parliament, are hiding in the republican National Security Committee building. This has been reported by a AGENCE FRANCE PRESSE correspondent in Dushanbe, citing sources in the circles of the Tajik opposition. Kenjayev, who left his parliamentary speaker post two weeks ago, was immediately appointed head of the National Security Committee under pressure from the opposition. The television center, the presidential palace, and a number of other public buildings remain under the control of the opposition in Dushanbe. [passage omitted]

Reconcilitation Government Announced

LD0705112292 Dushanbe Radio Dushanbe Network in Tajik 1015 GMT 7 May 92

[Unscheduled announcement]

[Text] Attention, attention, here is Dushanbe. Dear fellow countrymen: At last peace prevails in our country. Listen to the important news. The protocol of agreement between the president, Council of Ministers, political parties, and organization of popular movements of Tajikistan: The president, as a representative of unity and integrity of the Republic of Tajikistan, for the sake of relieving the political crisis and to maintain peace and security in the republic, by taking into consideration demands of political parties and the organization of popular movements, decrees:

1. By taking into account the present line-up of the present political, national, and religious forces, a National Reconciliation Government is to be established having broad powers and authority. This government will function according to the following principles:

(a) Giving up (?using force), in other words, it is declared here that the National Reconciliation Government first will not use weapons for dispersing the people gathered, and second will refrain from all criminal, political and law and order investigations. Urgent measures (?will be taken) to apply this principle, in other words, opposing forces will have an immediate cease-fire.

(b) The previous decree of the president on setting up a special batallion is revoked.

(c) All opposing forces will be immediately and irrevocably disarmed.

(d) The airport and railway station will be (?reopened). The Presidential Palace and Council of Ministers, as well as the television studio, will be liberated from the demonstrators.

2. A national state and a democratic basis for Tajiks will be prepared and there will be noninterference by the State in religious activities of the Qaziate [administration of religious affairs] and also noninterference by the Qaziate in the political activity of the State.

3. Equal rights and political coexistence must be ensured. In other words, for parties and organizations as well as popular movements, and also, where possible, there should no longer be prohibition of the activities of parties and organizations, provided that the activity is within the framework of the law.

4. The fraternal coexistence of all people of various (?ethnic groups) and religions must be guaranteed, as well as the interests of all citizens of the republic. In other words, all peoples and all ethnic and public groups should be taken into consideration.

5. Freedom of speech and freedom for the mass media, including the Voice of the Public Company, which is now declared a free rostrum, must be ensured.

11. [Number as heard] Since the Presidium and Presidential Council does not meet a single (?demand), this body will be dissolved and replaced by a Supreme Council made up of honored and capable representatives of the State, religion, science and culture. It will be led by the president and will work with the government of national reconciliation. The Committee for State Security, Committee for Defense and the Committee of the Voice of the Public must be subordinate to the government of national reconciliation.

4. [Number as heard] Taking into consideratioin the (?critical) political situation in society it is requested that Nazrullo Dustov [vice president], Farrukh Niyazov [chairman, National Defense Committee] and Otakhon Sayfullayev [chairman, State Television and Radio Corporation] resign immediately. The question of the resignation of Supreme Soviet Chairman Safarali Kenjayev and of Nurullo Huvaydullayev [chairman of Supreme Soviet Committee on Issues of Legislation and Citizens' Rights and Appeals] should be put to an extraordinary session of the Supreme Soviet.

5. The issue of the chairmanship of political parties and organizations of the popular movements must be decided under the supervision of both sides simultaneously with the finalizing and application of the points in the above-mentioned protocol.

5. [Number as heard] Effective measures must be taken to empty Shakhidon and Ozodi Squares of people immediately and completely. All gatherings and rallies will be banned until the end of 1992, except for election rallies.

Note: Articles 1 (a), 1 (b), 1 (c), 1 (d) and 1 (e) are to be implemented when the protocol is signed.

The protocol was signed on behalf of the government by the following: Rakhman Nabiyev, president; Safarali Kenjayev, chairman of the Supreme Soviet; Nazrullo Dustov, vice president; Akbar Mirzoyev, prime minister; Habibullo Saidmurodov, deputy prime minister; Saydollo Khayrulloyev, deputy prime minister; Ismail Davlatov, member of the Presidium of the Cabinet of Ministers; Shirali Khayrulloyev, deputy minister of internal affairs.

The following signed the protocol on behalf of the demonstrators on Shakhidon Square and political parties; Muhammad Sharif Hekmatzoda, chairman of the Islamic Movement Party; Shodmon Yusufov, chairman of the Democratic Party; Tahir Abdujabborov, chairman of Rastokhez; Khudonazar Davlatov, chairman of the Union of Cinematographers of Tajikistan; [first name indistinct] Amirbek, chairman of the La'l-e Badakhshon organization.

The following signed the protocol on behalf of intellectuals who initiated and witnessed the talks between the two sides: Akbar Tursunzod, correspondent member of the Academy of Sciences of Tajikistan; Otakhon Latifi, journalist; Abdurashid Rahimov, academician.

The protocol was prepared and signed on 7 May in the city of Dushanbe in five copies.

Nabiyev Decree Lifts Curfew

LD0705144492 Dushanbe Radio Dushanbe Network in Russian 1315 GMT 7 May 92

[Text] The decree of the president of the Republic of Tajikistan on the extraordinary situation and the lifting of the curfew on the territory of Dushanbe city, according to the achieved agreement between the government of the Republic of Tajikistan and the political parties and movements: I decree that the extraordinary situation and the curfew, as declared by the decree of the president of the Republic of Tajikistan on 5 May 1992, imposed on the territory of Dushanbe city, is lifted. The current decree comes into force from the moment of its signing.

[Signed] Rakhman Nabiyev, president of Tajikistan, Dushanbe city, 7 May 1992

Revolutionary Council Controls Parliament

LD0705150692 Dushanbe Radio Dushanbe Network in Russian 1345 GMT 7 May 92

[Text] The Revolutionary Council of the Republic of Tajikistan has decided to take control of the premises of the Supreme Soviet and republican radio.

Nabiyev Not To Renounce Powers

LD0705142592 Moscow ITAR-TASS in English 1358 GMT 7 May 92

[Text] Moscow May 7 TASS—Tajik President Rakhman Nabiyev with his bodyguards left the parliament building in the capital of the republic, Dushanbe. According to the agency FRANCE PRESSE, this happened after the troops loyal to the government moved away from the parliament building.

A few minutes before his departure, in a short interview with the agency, Nabiyev said that he reached an agreement with the opposition on the creation of a "coalition council" but refused to elaborate whether he meant he would head the council. At the same time Nabiyev stated: "I will not renounce the powers given to me by the people".

Over the last few days Dushanbe was a scene of continuous armed clashes. Last night government supporters tried to bring a TV center under control. Armoured cars

appeared in the city. A spokesman for the press center Kaziata (head of Moslems) where the opposition forces' headquarters is located, said that at night the opposition offered the leadership of the republic terms of stopping the fratricidal war.

The main demands are aimed at putting an end to the Communist Party's control over the state rule system. The opposition demands an immediate resignation of a number of top leaders and officials of Tajikistan, including Vice-President Narzullo Dustov, Chairman of the Supreme Soviet Safaraliy Kendzhayev and procurator-general of the republic, Nurullo Khuvaidullayev.

The opposition also insists on the setting up of a state committee of national redemption with all power structures subordinated to it, until the adoption of a new constitution and nationwide elections of a National Assembly.

Opposition Reportedly Assumes Power

LD0705144592 Hamburg DPA in German 1400 GMT 7 May 92

[Text] Dushanbe (DPA)—The Islamic opposition has assumed power in the Central Asian republic of Tajikistan. Speaking on local television, opposition representatives stated that a "Supreme Consultative Council" has assumed control over the parliamentary building, the Moscow news agency INTERFAX reported.

Earlier President Rakhman Nabiyev approved the formation of a coalition government on television following negotiations with the opposition and sealed his [word indistinct] with a series of decrees. His whereabouts are not known, it was stated.

Further on 'Coalition Government'

OW0705151492 Moscow INTERFAX in English 1420 GMT 7 May 92

[Transmitted via KYODO]

[Text] Talks of a conciliatory commission closed in Dushanbe that is composed of the authorities, united opposition and national intelligentsia. A protocol was signed on its results.

The document provides for the creation of a coalition government, but its membership has yet to be determined. Vice-Presdient Narzullo Dustov, Procurator-General Nurullo Khuvaidulacy and chairman of the TV and Radio company Atakhan Saifulaev will resign. The Supreme Soviet will discuss the resignation of the parliament leader Safarali Kenjayev.

According to protocol, on May 7 and 8 all the rally members must leave the squares Shakhidon and Ozodi in Dushanbe. The opposition and the authorities held their rallies on these squares. Security during the withdrawal will be provided by the police, the traffic police, armed opposition units and units loyal to the president.

The protocol was signed by: President Nabiyev, vice-president, premier and deputy premiers for the authorities; all opposition parties and movements for the opposition; and the third member of the conciliatory commission, the intelligentsia, science and culture, the most prestigious people in Tajikistan.

Without waiting for the document to be signed, the progovernment rally began to leave the square. During their withdrawal there was shooting for some 20 minutes from automatic weapons and large-caliber machine-guns. According to one of the ralliers, it was "a farewell salute." But one of the shooters told IF [INTERFAX], "we'll be back."

Some of the opposition members expressed their disagreements with the draft treaty because it lacks a demand that Nabiyev, Cabinet of Ministers and Supreme Soviet resign.

Opposition Rally Opposes 'Accommodation'

OW0705150492 Moscow INTERFAX in English 1420 GMT 7 May 92

[Transmitted via KYODO]

[Text] Last night the Tajik government and opposition leaders agreed to set up a conciliatory commission. A few hours later a multithousand opposition rally in the Tajik capital Dushanbe rejected the accommodation.

A leader of the national Democratic party Saddyk Ismailov has told INTERFAX the rally agreed that the Parliament's Chairman Safarali Kenjayev and a few other officials must step down. But it insisted the national President and Cabinet resign, too, and the national Parliament be dissolved.

At night government supporters attacked the national TV center held by the opposition. Opposition forces, in turn, attempted to seize control of the national radio center. Both attacks were rebuffed.

The opposition says 8 people were killed in the attacks. Various sources agree the overall death toll has risen to 30.

Wednesday, a Lieutenant Colonel on the National Security Force was killed at the door to his apartment. The man commanded the President's personal security battalion.

The opposition says the Dushanbe special forces, police and part of security officers have joined its ranks.

Opposition sources have also told INTERFAX the governments of Khodzhent and the Khodzhent region in the north of Tajikistan are going to proclaim the emergence of a northern republic of Tajikistan which will possibly join the Uzbek republic. So far there's been no way to verify this information.

Rumors of Nabiyev's Flight 'Refuted'

LD0705144992 Moscow ITAR-TASS World Service in Russian 1430 GMT 7 May 92

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 7 May—Tajik Deputy Prime Minister Khabibullo Saidmurodov refuted rumors that the republic's President Rakhman Nabiyev has fled the republic. In his words, the president is at present at his summer residence.

Colonel Vyacheslav Zabolotnyy, chief of the Dushanbe garrison, also denied rumors that Rakhman Nabiyev has left the republic. Certain people are claiming, he told the ITAR-TASS correspondent, that the president flew out "accompanied by and with the assistance of CIS military units." Not one soldier of the CIS troops of the Dushanbe garrison took part in this act as it did not happen, the colonel stressed.

Khodzhent To Establish Northern Republic

LD0705134492 Moscow Radio Rossii Network in Russian 1200 GMT 7 May 92

[Text] An INTERFAX correspondent in Dushanbe has been informed by opposition circles that the leadership of Khodzhent—formerly Leninabad—plans to proclaim the creation of a Northern Republic of Tajikistan at a session of the oblast soviet. The proportion of Uzbeks in the population of the oblast is large, and, in the opinion of the opposition, in its new status it could become part of neighboring Uzbekistan. Khodzhent is the power base for Rakhman Nabiyev, the president of Tajikistan, and other prominent figures in the present republican authorities.

Observers note that the process of fragmentation in Tajikistan has already affected Gorno-Badakhshanskaya Autonomous Oblast in the Pamir Mountains. In April this oblast, where the opposition influence is strong, transformed itself into an autonomous republic. It is unavoidable that events in neighboring Afghanistan, which has ethnic and religious ties with Tajikistan, will be influencing the development of this process.

Turkmenistan

Government Prepares for Central Asian Summit

OW0605231892 Moscow INTERFAX in English 1303 GMT 6 May 92

[Transmitted via KYODO]

[Text] The government of Turkmenistan has discussed all matters pertaining to the forthcoming Central Asian summit to be held in Ashkhabad (formerly Ashkhabad on May 9 and 10. Members of the Presidential Council and Deputy-Head of the Turkmen government Valery Otchertsov informed IF [INTERFAX] that among the documents prepared for the summit are draft agreements on the construction of a trans-Asian railway, on the development of the air and motor transport, on the carriage of cargoes, on customs policies, on the principles of foreign trade and on the procedure of settling accounts.

Uzbekistan

Razhabov Appointed State Secretary

LD0705091692 Moscow Programma Radio Odin Network in Russian 0800 GMT 7 May 92

[Text] Rahim Razhabov, who previously held the post of deputy prime minister of the republic, has been appointed to the post of state secretary under the president of the Republic of Uzbekistan.

Trade Ministry Transformed Into Association

OW0605223792 Moscow INTERFAX in English 1603 GMT 6 May 92

[Transmitted via KYODO]

[Text] President Islam Karimov issued a decree to transform the republican trade ministry into a Uzbek state stock association Savdo. The document was passed "to improve the organization of trade services to the population, the saturation of the republican consumer market, a broad introduction of market relations in the sphere of trade, and setting the stage for the development of initiative and entrepreneurasip of trading outlets and organizations of all forms of ownership".

IF [INTERFAX] learned from the presidential press-service that the association will structure its activities on the principles of full khozraschet and self-accounting. It will unite state, contractual, leasehold, collective, family, private and other trading enterprises.

Under the decree, on the basis of regional trade departments and catering, territorial production concern are organizd that are accountable to khakims (heads of administrations and regions) and who are in the association as founders. It was found expedient to transform state republican wholesale offices and wholesale/retail associations and catering trusts into stock companies and associations.

One of the main objectives of the new association is the study and forecasting of consumer demand, the development of market relations in trade. Priority is assigned to the creation of trading houses, a network of hard currency and commercial shops, the establishment of direct mutually beneficial economic ties with consumer goods producers.

Karimov Gives Oil Concern Monopoly Rights

OW0505171892 Moscow INTERFAX in English 1602 GMT 5 May 92

[Transmitted via KYODO]

[Text] President Islam Karimov has signed a Decree On Establishing the State Oil and Gas Concern "Uzbekneftegaz". The Concern's primary objective will be a complex development of the natural resources, stable supply of natural and condensed gas, as well as oil and its refinery products. The Decree envisages that the Concern will coordinate the activities of amalgamations, enterprises and organizations involved in oil and gas development, drilling, refining, and transportation, and build oil and gas processing and refining capabilities.

The Concern system envisages adherence to a coordinated technological policy, expansion, reconstruction, and refurbishment of enterprises, development and strengthening of cooperative bonds in the oil and gas industry, and complex solution of social problems.

The Concern has also assumed upon itself the functions of providing its enterprises, organizations, and offices with highly qualified specialists, including their training, as well as emergency prevention measures.

The Decree maintains that the new structure will be protecting the rights of the Concern's enterprises and organizations, and represent their interests in the state management bodies and abroad.

Armenia

Ministry Says Grad Mounts Deployed Near Border

NC0605160992 Yerevan Armenia's Radio First Program Network in Armenian 1200 GMT 6 May 92

[Communique issued by the Armenian Defense Ministry]

[Text] Grad mounts have been deployed in Azerbaijan's border rayons of Tauzskiy, Kazakhskiy, Zangelanskiy, and Sadarak to be used against Armenian villages. Grad mounts have also been handed over to the Nakhichevan People's Front and the 75th Army Division [words indistinct].

Efforts by the Armenian leadership and Geydar Aliyev, chairman of Nakhichevan Supreme Majlis, to stabilize the situation are being crushed by the Nakhichevan People's Front detachments, which do not submit to the legal organs of power in Nakhichevan and are doing everything to destabilize the border situation with the intention of opening a third front against Armenia.

The Araratskiy Rayon Soviet has refuted the Azerbaijani claims about a large-scale attack on Nakhichevan from Araratskiy Rayon. In fact, it was the Azerbaijani side that violated the cease-fire agreement, fiercely shelling Yeraskh and Sovetashen throughout the day yesterday. In the afternoon, the Armenian side was forced to take counter action, as a result of which a few Azerbaijani gun emplacements were neutralized.

Since this morning, Kapan city airport has been coming under fierce shelling from Azerbaijan's Zangelanskiy Rayon. The shelling was still going on at 1200.

Massed Action Against Nakhichevan Denied

LD0605205592 Moscow Mayak Radio Network in Russian 1700 GMT 6 May 92

[Text] The authorities of Araratskiy Rayon in southern Armenia today denied reports about a massed action against the Nakhichevan Republic. According to reports from the border area the Azerbaijan side, despite the accords reached, yesterday throughout the entire day heavily bombarded the Armenian villages of (?Yeraskh) and (?Salitashen). Defensive forces undertook retaliatory actions to suppress the sources of fire.

Ter-Petrosyan Comments on Minsk Conference

NC0605212592 Yerevan ARMENPRES International Service in Armenian 1215 GMT 6 May 92

[Statement issued by the president's press service]

[Text] On 5 May, President Levon Ter-Petrosyan received Professor Mario Raffaelli, chairman of the international conference to be convened in Minsk on the Nagorno-Karabakh problem, who is on a familiarization visit to the region on the eve of the conference.

Professor Raffaelli noted that he is optimistic about the prospects for a peaceful resolution of the conflict. First it is necessary to find ways to ensure a cease-fire and compliance with the terms of armistice, and to create mechanisms for overseeing the lifting of blockades on the roads and organizing humanitarian assistance. He also emphasized the importance of convening the Minsk conference as soon as possible.

Professor Raffaelli stressed the importance of Nagorno-Karabakh's participation in the conference for the conference and in general for CSCE involvement to be productive, and he expressed the hope that through tenacious work it will be possible to get the consent of all the participants. This will determine the course and productivity of the conference.

In agreeing with the basic precepts of the conference chairman, President Levon Ter-Petrosyan advanced a number of clarifications. He particularly stressed that it is not opportune to discuss the status of Nagorno-Karabakh at this acute stage of the conflict, which would lead all mediation efforts to an impasse. It is first necessary to achieve a cease-fire, lift the blockades on the roads, and create a system of guarantees for the security and normal existence of the population.

The Armenian president thought these problems could be solved only in the presence of international peacekeeping forces in the conflict zone, not excluding the participation of the CIS interstate peacekeeping forces.

Reiterating the importance of the participation of the Nagorno-Karabakh administration's representatives in the multiparty negotiations, President Levon Ter-Petrosyan considered it expedient that the Islamic Republic of Iran participate in the Minsk conference under any status, since recently it has demonstrated its impartiality and the productivity of its mediation mission.

Karabakh Wanted at Conference

OW0605232492 Moscow INTERFAX in English 1303 GMT 6 May 92

[Transmitted via KYODO]

[Text] The Armenian Government attaches enormous importance to the CSCE conference on Karabakh to open in Minsk shortly, Armenian Foreign Minister Raffi Hovannisian stated in Yerevan. He believes that normal life in Karabakh depends on the results of this conference.

If the siege of Karabakh is not lifted and if humanitarian aid is not supplied to it immediately, the Karabakh population will become so desperate that all attempts to ensure cease-fire will fail, the Armenian foreign minister warned.

On Tuesday [5 May] evening, Hovannisian met with co-chairman of the Minsk conference, Mario Raffaelli, who had arrived in Yerevan. Raffaelli said that the purpose of his visits to Armenia, Azerbaijan and other

countries was to dovetail their approaches to the Karabakh crisis. He did not say definitely wether Karabakh would participate in the conference, and, if it will, what its status will be like?

Meanwhile, for tactical reasons, the Armenian Government is in no hurry to recognize Karabakh's independence. It has assumed such a position for fear lest it might frustrate the recognition of Karabakh by other countries, said Chief of the Armenian Foreign Ministry's European Department, Krastian Ter-Stepanyan. Speaking about the Minsk conference, Ter-Stepanyan said that Nagorno-Karabakh must participate in it as a full-fledged member.

Decree on International Activities Signed

OW0605171992 Moscow INTERFAX in English 1601 GMT 6 May 92

[Transmitted via KYODO]

[Text] President Levon Ter-Petrosyan signed a decree on the regulation of international activities of republican and local authorities of state power, agencies, enterprises and organizations. According to the document, all these entities when concluding international agreements should first harmonize the texts with Armenian Foreign Ministry. To establish contacts with diplomatic and other representatives of foreign state organizations, they will have to be authorized by the foreign ministry or get in contact through the ministry. The foreign ministry is also charged with depositing international interdepartmental agreements, unless a different procedure is specified.

The press-services of the president and foreign minister have yet to make commends on the documents. IF [INTERFAX] learned from unofficial sources that the chief objective of the decree is to centralize contacts between Armenian organizations and enterprises with foreign partners because it is claimed that recently the government is not controlling some of the contacts.

President Appoints New Trade Minister

NC0705040392 Yerevan ARMENPRES International Service in Armenian 1215 GMT 6 May 92

[Text] Yerevan, 6 May (ARMENPRES)—The Armenian president issued a decree on 5 May appointing Tigran Edvardovich Grigoryan Armenian trade minister.

Swiss Ambassador Presents Credentials

LD0605133492 Moscow ITAR-TASS in English 1255 GMT 6 May 92

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, May 6 TASS—Jean-Pierre Ritter, a Swiss ambassador to Moscow, presented his credentials to Armenian President Levon Ter-Petrosyan today. He will represent his country in Armenia as well as in Russia.

Today in the morning the Swiss ambassador and Armenian Foreign Minister Raffi Hovannisian exchanged notes on the establishment of diplomatic relations between the two states.

According to a spokesman for the Armenian Foreign Ministry, Switzerland became a 37th country Armenia has diplomatic relations with.

People's Front Demonstrates Against Aliyev

NC0605210892 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 6 May 92

[Text] SNARK news agency reports that nearly 100 armed supporters of the Azerbaijani People's Front [APF] took to the central square of Nakhichevan Autonomous Republic's capital and chanted anti-Geydar Aliyev slogans. In response, nearly 1,000 people surrounded the Supreme Majlis building to protect their chieftain Geydar Aliyev. The APF activists were forced to retreat.

The situation in Nakhichevan has become complicated following the shelling of Nakhichevan's settlements by [words indistinct] Armenian armed groups. It is being reported that Armenian armed groups numbering 400 persons have attacked and occupied (Gumush) village on 5 May.

TURAN news agency reports that Geydar Aliyev, chairman of Nakhichevan Supreme Majlis, has held a telephone conversation with Turkish minister of [words indistinct] on the situation in the Nakhichevan sector of the Armenian-Azerbaijani border.

Arutyunyan Inaugurates Service Bridge To Iran

NC0705040292 Yerevan Armenia's Radio First Program Network in Armenian 1730 GMT 6 May 92

[Text] The service bridge over the Araks River near Karchevan in Megrinskiy Rayon was opened this afternoon. It will link Armenia and Iran. Vice President and Prime Minister Gagik Arutyunyan took part in the inauguration ceremony.

Azerbaijan

Ministry Reports on Clashes, CSCE Visit

NC0605204292 Baku Radio Baku Network in Azeri 1700 GMT 6 May 92

[Text] The Azerbaijan Ministry of Defense press center has disclosed the following:

The CSCE delegation to Karabakh visited Kazakhskiy Rayon from 1130 to 1700 yesterday. The delegation members traveled to the border towns of Abbasbeyli, Serenli, and Kushchu Ayrum and selected several places where they will station observers. After the delegation left the rayon, Ashagy Askipara and Medzhan were fired

on from Armenia's Idzhevanskiy Rayon with large-caliber machine guns from 2000 to 2100.

Khasanly in Tauzskiy Rayon was fired on from Armenian positions on the mountain near Bashkend with artillery guns from 2300 until midnight last night. Return fire silenced the enemy.

Thanks to the effort made by the observers in Kel-'badzharskiy Rayon, the construction of an airport capable of accommodating YAK-40 aircraft has been discovered near the Armenian-inhabited [placename indistinct] in Agdara Rayon.

Tapkarakoyunly and Shefek in Gorenboyskiy Rayon were attacked from the Armenian-inhabited towns of Talish, Karachinar, and Yenikend from 0500 to 1100 yesterday. Three members of the Azerbaijani Armed Forces died heroically and eight others were wounded during the clashes. A large enemy vehicle was hit and nearly 15 brigands were killed.

[Place names indistinct] in Fizulinskiy Rayon were fired on from Armenian towns in the former Gadrutskiy Rayon from 1800 to 2000 yesterday. Units of the Azerbaijan Armed Forces gave a deserving reply to the enemy. Several of the five enemy combat vehicles were hit and damaged and 25 enemy troops were killed. No one was hurt on our side.

The situation in Agdamskiy Rayon did not change over night. Moganly was shelled from Nakhichevanik with artillery guns at 1900 last night. (Kulably), Shilli, and Chukurmehve were intermittently fired on from Askeran with automatic firearms, machine guns, infantry combat vehicles, tracked vehicles, and artillery guns from 2000 to 2300 yesterday and from 0400 to 0700 today. No one was killed. Amiranlar was attacked from Khodzhavend and the former Martuni at 1100 today. One of the members of the Azerbaijan Armed Forces was wounded. The fighting continues.

Fire was exchanged between Kyshlakh in Dzhebrailskiy Rayon and Sur in the former Gadrutskiy Rayon yesterday and last night. The Armenian positions in Sur fired on [words indistinct] from time to time.

Clashes did not take place in the vicinity of Shusha and the surrounding towns yesterday or this morning. The situation is peaceful.

Situation in Terterskiy Rayon 'Relatively Calm'

NC0705125192 Baku Radio Baku Network in Azeri 1900 GMT 5 May 92

[Text] We spoke to Militia Lieutenant Colonel Alaskar Aliyev, head of the Terterskiy Rayon Internal Affairs Department, by telephone today. Aliyev reported that the situation in Terterskiy Rayon is now relatively calm following the eviction of Armenian brigands in Seysulan and Yarymdzha in Agdara Rayon. They rayons are located in strategic areas used from which to attack the Agdamskiy, Barda, and Terterskiy Rayons. Many of the people who left their homes earlier due to the battles have returned to Terter and the rayon's towns.

Meanwhile, in the past few days Armenian armed units and heavy armored vehicles have been seen assembling in Leninavan, (Kermiravan), and Chayly in Agdara Rayon. Terter and the rayon's residential areas are frequently hit with fired from these towns.

Russian Troop Withdrawal To Take 2 Years

OW0605140292 Moscow INTERFAX in English 1302 GMT 6 May 92

[Transmitted via KYODO]

[Text] The withdrawal of the armed forces located in Azerbaijan and placed under Russia's jurisdiction by Yeltsin's order will begin in May and last for two years, according to a Russian-Azeri agreement, Azeri Defence Minister Ragim Gaziyev announced.

The agreement has provisions ensuring the rights and social guarantees of servicemen who decide to continue their service in Azerbaijan.

Speaking about the situation in the zone of the Azeri-Armenian conflict Gaziyev said that lately Azeri forces had shot down 10 helicopters airlifting Armenian militants, weapons and ammunition.

Defense Ministry Takes Over Baku ECM Unit

PM0605134392 Moscow KRASNAYA ZVEZDA in Russian 6 May 92 p 3

[KRASNAYA ZVEZDA correspondent Major A. Ivanov report under the "Direct Line" rubric: "Privatization of Army Property Continues in Azerbaijan. It Is Becoming Impossible To Perform Combat Alert Duty"]

[Text] Main Staff of the Air Defense Forces—KRASNAYA ZVEZDA was told by the Air Defense Forces Main Staff that an electronic warfare battalion stationed in Baku has now become the object of "nationalization." More than 70 armed persons seized the unit's base virtually by force. Presenting orders from the republic's Defense Ministry, they demanded that weapons be surrendered. After a two-hour debate Lieutenant Colonel Sergey Vasin, battalion commander, succeeded in preventing the unit from being forcibly disarmed but all the hardware and stores have been sealed. Performance of training and combat tasks has also been virtually paralyzed.

Trade With Turkey Meeting Held in Baku

NC0705040092 Baku Radio Baku Network in Azeri 1700 GMT 6 May 92

[Text] A conference was held in Baku today on trade and economic relations between Azerbaijan and Turkey. Azerbaijani Deputy Prime Minister Rauf [name indistinct] and Turkish Minister of State Serif Ercan

addressed the conference on the importance of strengthening and improving trade, economic, scientific, and cultural relations. Speaking on behalf of [name indistinct] establishment, Acar Cevik pointed to the need to establish cooperation between Turkish and Azerbaijani industrialists.

Representatives of Turkey's Motherland Party, Prosperity Party, Nationalist Labor Party, and Social Democratic Populist Party and [words indistinct], including businessmen from Azerbaijan, attended the conference.

Georgia

Tskhinvali Shelled; Interior Troops Leaving

LD0705084192 Moscow ITAR-TASS World Service in Russian 0739 GMT 7 May 92

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 7 May—Last night was an alarming one for the residents of South Ossetia. According to information from the Ministry of Internal Affairs and the press center of the republic's Information Committee, the housing estates of Tskhinvali were subjected to concentrated shelling from missile installations, howitzers, grenade throwers and large-caliber machine guns for four hours. Detachments of Georgian armed fighters situated in the surrounding villages were responsible for the shelling. In the morning more than 20 "Alazan" missiles were fired on the administrative center.

According to unconfirmed data there are dead and wounded among the town's civilians. Houses and apartments, public buildings and some facilities providing vital services, and communal service premises have been damaged. On the order of the self-defense committee of the South Ossetian Republic return fire to suppress the fighting stations of the attackers was delivered by subunits of the South Ossetian Guard who are defending the approaches to Tskhinvali from 2100 till 0200 this morning.

The movement of motor transport has been halted on the main Dzhava-Tskhinval highway. A representative of the intelligence service of the Self-Defense Committee said that the road is blocked in three places and the route is being shelled continually. Communications with the administrative center are now only getting through on the 28-km mountain road.

Alan Chochiyev, first deputy chairman of the Supreme Soviet of South Ossetia, said the night-time shelling of Tskhinvali was a retaliatory reaction by extremists on the Georgian side to the meeting of working groups from North and South Ossetia in Vladikavkaz, which mapped out approaches and adopted rules of conduct for holding tripartite talks here on settling the situation in South Ossetia.

The departure from the Tskhinvali zone of a battalion of internal troops of the Russian Ministry of Internal Affairs and the phased withdrawal from South Ossetia of helicopter and sapper regiments, A. Chochiyev added, had put the inhabitants of the republic in a difficult position. The military had been to some extent a deterrent force in the region. Now we have to rely only upon our own forces and possibilities, he said.

Tbilisi Fears Attacks by Gamsakhurdia Supporters

OW0605180292 Moscow INTERFAX in English 1634 GMT 6 May 92

[Transmitted via KYODO]

[Text] Reinforcements of police and national guard units in the Georgian capital Tbilisi have been patrolling the city streets on Wednesday [6 May].

Interior Ministry officials in Tbilisi told IF [INTERFAX] they had evidence that supporters of the deposed Georgian president, Zviad Gamsakhurdia, were planning to step up activities to unsettle the situation in the next few days. The officials did not rule out the possibility of a series of terrorist attacks.

They also spoke of last night's incident in which a group of unidentified individuals had attacked a police station in Tbilisi with an aim of seizing weapons. However, the attackers had to leave after the policemen locked themselves up in the weapons room.

Militia, National Guard Patrols Reinforced

LD0605213592 Moscow Mayak Radio Network in Russian 2000 GMT 6 May 92

[Text] Militia and National Guard detachments that patrol Tbilisi, the capital of Georgia, were reinforced on 6 May. INTERFAX has been informed at the Georgian Ministry of Internal Affairs that there is information that advocates of Zviad Gamsakhurdia plan to step up activities for stabilizing [as heard] the situation in the next few days.

National Guard To Enter National Armed Forces

OW0505185592 Moscow INTERFAX in English 1808 GMT 5 May 92

[Transmitted via KYODO]

[Text] The Georgian National Guard will enter the republican armed forces as a rapid deployment corps. It is supposed to become the most efficient unit in the national army which is currently being formed, Tengiz Kitovani, Commander-in-Chief of the National Guard and member of the State Council's Presidium, said at a meeting with top officials of the Georgian Defense Ministry Tuesday [5 May].

The meeting focused on implementation of the State Council's resolution on creation of the single armed forces, which would comprise all 13 armed units, groups

and detachments operating on republican territory. Participants in the meeting also discussed issues related to the first draft to the Georgian armed forces scheduled to start May 15.

Removal of Abkhaz National Guard Demanded

AU0705075092 Tbilisi Radio Tbilisi Network in Georgian 0200 GMT 7 May 92

[Text] The administrative chief of Gali Rayon [Abkhaz Autonomous Republic] and the rayon's procurator and militia and security chiefs have sent an official letter to the chairman of the Abkhaz Supreme Council and the chiefs of the autonomous republic's law enforcement organs. In the letter it is stated that, as early as 27 April, the letter's authors addressed the chairman of the Supreme Council and informed him that members of the Abkhaz National Guard located in Gali rayon were committing illegal and criminal acts. As a result, the rayon's leaders demanded that effective measures be taken to regulate the situation and that the members of the Abkhaz National Guard be removed from Gali rayon. However, the rayon's leaders point out in their second message that no measures have been taken and, consequently, this is exacerbating relations with the population of Gali rayon. As proof of the aforementioned, the leaders of Gali rayon state in their official letter that five criminal cases are being heard in the rayon and they demand that the Abkhaz leaders take concrete measures to stabilize the situation.

Decree on Call-Up to Armed Forces Issued

AU0605152592 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 18 Apr 92 p 1

["Decree of the Republic of Georgia State Council on the Call-Up of Conscripts Into the Republic of Georgia Armed Forces" issued in Tbilisi on 11 April]

[Text] In accordance with Article 94 of the Republic of Georgia Constitution, the Republic of Georgia State Council resolves:

1. To call up for military service in the Republic of Georgia Armed Forces citizens who have reached the age of 18 prior to the day of call-up and who are not entitled to defer their call-up and also older conscripts who have lost the right to defer their call-up.

To establish the times of call-up as being in spring and autumn each year.

2. To determine the length of military service:

—as 12 months for conscripts who have a higher education and who have not undergone training at departments of military science;

—as 24 months for citizens with a higher education who have undergone training at departments of military science and who have been awarded the rank of officer (citizens in this category are to be called up for military service as officers in the Republic of Georgia Armed Forces only if there is a shortage of commanders and specialists);

—as 18 months for conscripts with a secondary or incomplete secondary education.

3. To grant deferment of military service to:

—conscripts who are students at state higher educational institutions—until they have completed their studies but no later than the age of 25. Those students who are undergoing training at establishments of military science are, on its completion, to be awarded the rank of reserve officer;

—students in secondary and specialized secondary education institutions if they are continuing their studies after completion of the eighth grade—until they have completed their studies but no later than the age of 20.

4. To exempt from military service, for family reasons, single sons and also conscripts who have a wife and children, disabled parents, sisters, and brothers to support.

5. Not to call up for military service those persons who are serving sentences for particularly dangerous state and serious criminal offenses and who have been convicted on two or more occasions.

Remaining categories of conscripts who have been convicted are to be called up for military service one year after they have completed their sentence, if they are engaged in socially useful labor and have presented a positive character reference and recommendation from an enterprise or establishment.

6. To temporarily halt the call-up of those conscripts against whom criminal proceedings have been instigated.

7. To call up for military service only healthy conscripts. To defer the call up of sick conscripts for one to three years following a decision by the medical commissions. If the conscript does not recover his health over this period, his name will be removed from the military records and he will be exempt from military service.

8. To exempt from military service conscripts who have acquired a teaching specialization in higher educational institutions and who have gone to work in distant regions of Georgia where life is difficult from the climatic and demographic point of view.

9. The organization of the call-up and the numerical strength of young men called up for military service are to be determined by the Republic of Georgia State Council on the basis of the concept of the Republic of Georgia Ministry of Defense.

10. To form draft and medical commissions in rayons and towns in the Republic of Georgia in order to train

conscripts and draft them for military service into the Republic of Georgia Armed Forces.

The Republic of Georgia Cabinet of Ministers is to create a republican draft commission that will be in charge of the draft commissions in towns and rayons and will control their activities.

The Republic of Georgia Cabinet of Ministers will determine the composition and rules of action of the commissions.

11. Service in the Republic of Georgia Armed Forces is the universal and honorable duty of citizens of the republic and persons avoiding it will be punished in accordance with the Republic of Georgia Criminal Code.

12. The Decree on the Call-Up of Conscripts Into the Republic of Georgia Armed Forces comes into force as soon as it is adopted.

[Signed] Eduard Shevardnadze, chairman of the Republic of Georgia State Council.

Bridge for Shipping Goods From Russia Blown Up

OW0605185592 Moscow INTERFAX in English 1807 GMT 6 May 92

[Transmitted via KYODO]

[Text] The press center of the Georgian Internal Ministry reports that Wednesday [6 May] the supporters of the ousted President Zviad Gamsakhurdia blew up a bridge crossing the Dzirulla River in the central part of the republic. Before that 20 cargo trains passed from Russia to Georgia via this bridge. Such cargo turnover on the key main line was not registered over the last 2-3 years. There are no victims, but the movement of trains is stopped. This terrorist act disrupted the schedule of shipments viable to Georgia.

The same day in Tbilisi Gamsakhurdia's supporters organized a meeting on Rustaveli square. 3 thousand people took part in this meeting. The speakers appealed to boycott the future autumn elections to the Georgian parliament.

According to the press center of the Internal Ministry, the same day the Zviadists attacked a detachment of national guards in Chiatura. The attackers captured 14 automatic guns and dissappeared. They also attacked a militia post in the Zestafonski region and took two militiamen as hostages.

Deputy Finance Minister Discusses Budget

AU0505091792 Tbilisi SVOBODNAYA GRUZIYA in Russian 23 Apr 92 p 1, 4

[Interview with Mirian Murdzhikneli, Republic of Georgia deputy finance minister, by SVOBODNAYA GRUZIYA correspondents Tinatin Gviniashvili, Beso Tskhorageli: "There Will Be No Hard Currency ... and Also No Ruble?!"; place and date not given; all questions published in boldface]

[Text] The financial situation in the republic, to put it mildly, leaves a lot to be desired. What lies ahead? Rumors have already been spreading across Georgia that German marks will come into usage, marks that apparently have already been brought by Hans Dietrich-Genscher. However, people have the same non-convertible ruble in their pockets and, more often, not even that.

Our correspondents Tinatin Gviniashvili and Beso Tsorageli spoke about these and other problems with Mirian Murdzhikneli, Republic of Georgia deputy finance minister.

[SVOBODNAYA GRUZIYA] **Batoni**[Georgian polite form of address] **Mirian, how would you characterize the state of the republic's budget today?**

[Murdzhikneli] If we take into account the fact that Georgia's economy is in a catastrophic situation, we can correspondingly assume that the budget is in a difficult state. During the last year, the majority of enterprises were standing idle. As a result, the republic's financial situation has reached, so to speak, a state of emergency. Credit obligations were not and are not being fulfilled.

Expenditure has considerably exceeded income. Proceeding from the economic indicators that we have at our disposal today, the budget deficit has reached 1.3 billion rubles. As regards the draft budget for 1992, we have already drawn it up and we will be presenting it shortly to the government for examination. It is expected to be 25 billion rubles. If everything goes according to plan, the budget deficit will be more than covered.

[SVOBODNAYA GRUZIYA] **What about a national currency? When will it be introduced?**

[Murdzhikneli] Everything again depends on our economy. It is senseless to have one's own currency without a strong material base. Therefore, when speaking of a national currency, this circumstance has to be taken into account in the first instance. Otherwise, the inflationary processes that have already become commonplace will affect it as well.

[SVOBODNAYA GRUZIYA] **What is the reason for the permanent deficit in money supply in the republic?**

[Murdzhikneli] When paying out wages, the state has to have a guarantee that this money will be returned. That is to say, the turnover of money resources is the sole condition for the normal functioning of the economy. This is not taking place here for two reasons. Wages are being paid but goods are not being produced. Therefore, there are no goods to buy with these wages. Our savings banks lost their authority long ago and do not enjoy the trust of the population. So, the lion's share of the money supply ends up in the pockets of private entrepreneurs. The emission of money is increasing literally every day.

We bring cash from Moscow, distribute it to the population, and it disappears for good. We will be faced with this problem while the ruble is not supported by specific goods and while there are no goods to be bought with this ruble.

[SVOBODNAYA GRUZIYA] **Incidentally, how much does it cost us to "import" rubles?**

[Murdzhikneli] We pay Russia one ruble 21 kopecks for one ruble: 20 kopecks interest and one kopeck for expenses.

[SVOBODNAYA GRUZIYA] **Finally, there are constant rumors going round the city that price increases are again imminent. Is there any truth in them?**

[Murdzhikneli] There have already been price increases. This process—more frequently called liberalization—began long ago and, by and large, prices have already been fixed. Rumors about new price rises do not conform to reality. By the way, people are saying that the prices of bread and bread products are to rise. I can assure you that, as yet, there are no grounds for this. The price of electric power will increase but this will only affect enterprises. The population will pay the old rate of 12 kopecks for one kilowatt. This has been occasioned by the sharp increase in the cost price of petroleum and gas products. Prices will, on the whole, remain unchanged for transport, the underground, and essential goods. In addition, the Government is examining the question of a partial wage increase and of raising the minimum wage level.

[SVOBODNAYA GRUZIYA] **When will the republic succeed in overcoming the budget deficit?**

[Murdzhikneli] The economy has to become stable. Until this happens, we will experience a deficit in everything. Everyone has to do his or her bit. I realize that it is difficult to talk about this in today's conditions. However, in spite of this, the government has done a lot during this period to normalize the economic situation.

Estonia

Russian Envoy Meets With Parliament Chairman

OW0605232092 Moscow BALTFAX in English 1344 GMT 6 May 92

[Transmitted via KYODO]

[Text] During the talks in Tallinn (May 6) between the Russian president's special envoy Feodor Shelov-Kovedyayev and chairman of the Estonian parliament Arnold Ruutel the Russian side urged its partners to put bilateral relations on a legal footing. The proposal was made to define the status of the former Union's troops which are located in Estonia and which are under Russia's jurisdiction. The presence of these 30,000-strong troops, the property questions and the problems facing ethnic Russians (making up one third of Estonia's population of 1.5 million) are the main issues to be tackled by the Russian and Estonian state delegations. Their next meeting will take place in Moscow on May 15 and is expected to decide the future of the former Union's frontier troops.

The Russian delegation emphasized that the schedule of withdrawal depends on technical matters and on the readiness of the places of re-dislocation. The year 1997 was named as the most probable date for the end of withdrawal.

Envoy Cited on Troop Withdrawal

OW0605193192 Moscow BALTFAX in English 1851 GMT 6 May 92

[Transmitted via KYODO]

[Text] Russia's First Deputy Minister of Foreign Affairs Fedor Shelov-Kovediayev, who was in Tallinn on a one-day visit, maintains it would be impossible for Russia to withdraw its troops stationed in Estonia in 1992, said Estonian Deputy Minister of Foreign Affairs Trivimi Velliste in an interview to BALTFAX correspondent. He noted that in the opinion of Shelov-Kovediayev, complete withdrawal of Russian troops from Estonia can be accomplished only in 1997-1998. At the same time, Russia's first deputy minister of foreign affairs confirmed that his country "has no strategic interests in Estonia, and it intends to withdraw all of its units from the country", Trivimi Velliste emphasized.

Russian Submarine Crews Preparing To Depart

OW0605232192 Moscow BALTFAX in English 1344 GMT 6 May 92

[Transmitted via KYODO]

[Text] The Estonian Deputy Minister of Defense Toomas Puura told "BF" [BALTFAX] that the sailors on submarines who were retrained on the CIS naval base in Paldiski will leave Estonia in the near future. According to him that were the last crews which were retrained on the Estonian territory.

127 submarine's sailors arrived to Estonia by a military aicraft end March (without the consent of the local authorities—"BF"). After negotiations they were allowed to stay in Paldiski one more month. A training center for atomic submarines' crews is located in Paldinski.

According to T. Puura, the CIS military servicemen want to receive the consent of the Estonian authorities to send 3100 conscripts to the republic who are to replace the demobilized servicemen. The Estonian Deputy Minister of Defense considers that the Russian party has no legal base for such actions.

Russia Said To Make Territorial Claims

OW0705132892 Moscow INTERFAX in English 1159 GMT 7 May 92

[From "Diplomatic Panorama" feature; transmitted via KYODO]

[Text] In the Estonian Foreign Minister Trivimi Velliste's view, by not recognizing the borders fixed in the Tartu Peace Treaty, Russia makes territorial claims to Estonia. T. Velliste led an Estonian delegation to the meeting between groups of experts from the two neighbouring states, held as part of bilateral negotiations in St. Petersburg on May 5th.

He noted in an interview with "Belfax" [as received] that the sides had agreed to abide by the international law standards in state frontiers' definition. In the Estonian side's opinion, the line of the border, stipulated by the Tartu peace treaty signed between Estonia and Russia in 1920, tallies with these standards in full. Experts from Russia's Foreign Ministry regard references to the Treaty as illegitimate and the treaty itself, in as far as the line of the border's passage is concerned, inequitable. As is known, in keeping with the accord, some areas in the Pskov and Leningrad regions, considered to be truly Russian, were turned over to the Estonian Republic by the Government of Soviet Russia.

Return of Territory Near Narva, Petseri Demanded

PM0505141292 Stockholm DAGENS NYHETER in Swedish 3 May 92 p C4

[Report on interview with Estonian President Arnold Ruutel by Mert Kubu; place and date not given]

[Text] Estonia is demanding the return of the region around the city of Petseri, Estonian President Arnold Ruutel told DAGENS NYHETER. The matter is urgent.

"I spoke with Gorbachev in his day about the region on the other side of the Narva River and about the Petseri region. Since then I have spoken with Yeltsin on several occasions and I will raise the matter with him again shortly," Ruutel said.

In the Petseri region a geographical and demographic solution ought to be possible. It is easy to define the villages which are inhabited by Setu Estonians. The city of Petseri itself must also belong to Estonia, in Ruutel's view.

However, things are different with the formerly Estonian region on the other side of the Narva river. The Soviet Union recognized the region as belonging to Estonia in the 1919 Tartu peace treaty.

But what is now Novgorod, or Jaanilinn in Estonian, across the river from Narva, is inhabited today more or less exclusively by Russian speakers.

"We cannot risk half of our parliament eventually consisting of Russian speakers," Ruutel said.

That is why a proposal has been put forward in the talks with Yeltsin. An independent region should be set up in the narrow strip of land around Novgorod to which Finno-Ugric peoples like the Ingermanlanders and the Vod people could move. Today they are scattered throughout the former Soviet empire.

"I have proposed to Yeltsin that Russia should also give up a small area of land to the new Jaanilinn. Yeltsin has not dismissed the idea, but he says that alone he does not have a mandate to engage in negotiations," Ruutel said.

"What is important now is that the matter is dealt with swiftly, during the life of the present Estonian parliament, and that we should try to start talks with Russia if possible before the summer, even before our new parliament, the Riikikogu, has been elected."

The areas affected are a land area stretching approximately 10 km into Russia from the Narva river. And an area stretching 30 km into Russia from the city of Petseri where the Estonian, Russian, and Latvian borders meet.

In the official negotiations with Russia the Russian delegation has been unwilling to discuss the issue, however, the Estonians are pushing it. The question is very sensitive, and there are many who think that Estonia ought to have worries enough as a result of the fact that Russian speakers are so dominant in the Narva region. In the last few months the Russian speakers have threatened political strikes. The electricity supply from the two gigantic power stations in Narva has already been reduced as a first warning from the strikers.

Money Exchange Offices Open Nationwide

OW0405135592 Moscow BALTFAX in English 1334 GMT 4 May 92

[Transmitted via KYODO]

[Text] Head of the Estonian Monetary Reform Bureau Mr. Enn Teiman informs INTERFAX [as received] that 727 money exchange offices opened in Estonia on May 1 in the context of the republics preparation for money reform.

In the words of Bank of Estonia officials, by May 15 all preparatory measures for the reform ought to be completed.

By May 15, all Estonian permanent residents are obliged to visit the exchange offices to make sure that their names have been recorded in the lists of the so-called residents, i.e., the persons entitled to the money exchange. The right to change a specific sum in rubles will also be granted to the persons who are residing in Estonia on a temporary basis.

The exact date of the money reform will be announced by the Monetary Reform Committee which includes the president of the Bank of Estonia Mr. Siim Kallas, Premier Tiit Vahi, and finance expert Rudolf Jalakas.

Exchange Delayed

OW0705143492 Moscow BALTFAX in English 1311 GMT 7 May 92

[Transmitted via KYODO]

[Text] Estonia's Monetary Reform Committee has decided to complete the checking of the lists of residents (people in Estonia entitled to exchange a certain sum of rubles to Estonian crons during a monetary reform) on May 22d, not on May 15th, as planned.

A "Baltfax" correspondent has learned from the Estonian Bank's Information Department that the decision was adopted at the request of the Republican Foreign Ministry's, which had been instructed to compile a register of residents simultaneously with the lists' checking.

The Committee has repealed the Prime Minister Tiit Vahi's proposal to put into circulation ahead of time a monetary unit worth one cron as an equivalent of five hundred or one thousand ruble banknotes. In experts' opinion, such a step, contrary to expectations, would not reduce the cash deficit and might even aggravate it.

According to "Baltfax" information from the Bank of Estonia, the printed money bills worth one and two crons have already been delivered to Estonia. Banknotes of a bigger denomination have not been brought into the republic yet.

Industrial Production Keeps Dwindling

OW0505174092 Moscow BALTFAX in English 1536 GMT 5 May 92

[Transmitted via KYODO]

[Text] According to Estonia's Department of Statistics, the volume of industrial production in Estonia for the first quarter of this year was 34% lower than that for the same period last year.

The output of the fishing industry, for example, had fallen by 64%, that of the meat industry, by 42%, the

production of other foodstuffs, by 40%, and the output of engineering and metalworking enterprises, by 45%. At the same time, slate production had gone up.

The overall work force in Estonian industry numbered 104,000 in the first quarter of this year, which is 5.2% less than the figure for the first quarter of last year.

Customs Regulations Set New Duty Free Limits

LD0605135792 Tallinn Radio Tallinn Network in Estonian 0600 GMT 6 May 92

[Text] In today's RAHVA HAAL [VOICE OF THE PEOPLE], Harri Treial writes about changes and specifications in customs. The most important change is that a private individual could previously take goods and property out of Estonia to the value of 1,000 rubles duty free, and now this sum has been increased to 5,000 rubles. As far as private individuals are concerned, it might be useful to know that duty is payable only on rapeseed oil and objects of cultural value. In both cases the duty payable amounts to 100 percent of the price of the goods. Classed among objects of cultural value are also antique cars and other motor vehicles manufactured before 1950. The price of objects of cultural value will be determined by the expert group on the export of objects of cultural value at the Ministry of Culture. In addition to the above mentioned, duty will be payable also on any exported goods and property exceeding the allowed limit, which is 5,000 rubles. As far as imported goods and objects are concerned, individuals will have to pay duty on the part exceeding the upper limit for import. Should a private individual bring in a motor vehicle given to him as a present it will be duty free if he can present a contract of donation formulated according to the laws of the donor's country of domicile or witnessed by a notary public.

Volunteer Corps Units Set Up Customs Posts

LD0105173692 Riga Radio Riga International in English 2030 GMT 27 Apr 92

[Text] One hundred and twenty-strong Latvian emergency volunteer corps units from various parts of Latvia have set up seven customs posts surrounding the Liepaja naval port on Saturday [25 April] in an attempt to stop the smuggling of goods and raw materials by the Soviet Army out of Latvia via the port. Initially the move provoked angry protests and threats to use force from the Russian military officials, but later tension lessened as the Latvian Defense Minister Talavs Jundjis and emergency volunteer corps officials left for Liepaja to negotiate the conflict with the Russian Navy representatives.

Prime Minister Ivars Godmanis, speaking at the Popular Front's board meeting, said the situation around the Liepaja naval port was returning to normal with volunteer guards, customs officers, and representatives of the Russian Army jointly checking the vehicles entering the port's territory. He also said that the Latvian parliamentary leader and commander of the emergency volunteer corps, Anatoliy Gorbunovs, was not aware of the action.

Conditions of Servicemen Below European Standards

LD0105103592 Tallinn Radio Tallinn Network in Estonian 0900 GMT 24 Apr 92

[Text] At present it would be impossible to create conditions which meet the European standards for the young men joining our defense forces since necessary material means are lacking, Ants Laaneots, [acting] chief of general staff for the defense forces, told ETA. He noted that for the time being barracks left by the former USSR army are being used. One must put them in order first, though. The year 1939, when we practically abandoned self-defense, must never be repeated, Laaneots said. He considers it necesssary to carry out enlightment among those of conscription age because the fatherland needs protection.

Latvia

Early Introduction of Latvian Ruble Possible

LD0305103592 Riga Radio Riga International in Latvian 0430 GMT 1 May 92

[Text] Speaking at a plenary session of the Supreme Council of the Republic of Latvia, and also at a news conference organized by the Latvian Television, Ivars Godmanis, the head of the Latvian Government, has indicated that in his opinion extraordinary difficulties continue in Latvia with cash, for the time being in the entire former USSR territory the unified means of payment, the former USSR's ruble. Therefore in the very nearest future it will necessary, regards Ivars Godmanis, evidently in May, to introduce in Latvia an additional means of payment, the so-called Latvian ruble. These rubles have already been printed and are kept at the State Bank.

The final decision on this will be made by the Money Reform Committee which consists of the head of the government, the president of the Bank of Latvia, and the chairman of the Supreme Council's Commission for Economics. It is envisaged that the Latvian ruble will function additionally to the Russian ruble already in circulation and will be equated in a one to one ratio. The officials, however, also envisage possible political complications in the event of the Russian side negatively assessing such a step.

New 'Lat' Will Equal 1 Ruble

OW0505194492 Moscow BALTFAX in English 1911 GMT 5 May 92

[Transmitted via KYODO]

[Text] Edmunds Krastins, a member of the Latvian Monetary Reform Committee, alleges that if Latvia

introduces its ruble—analogous to Ukrainian coupons—it will rate 1:1 with respect to a Russian ruble. In his public appearance this Monday [4 May] before the deputies of the "Satversme" faction he assured them that the issue of the Latvian ruble will occur in the framework of the budget.

Edmunds Krastins also indicated that the only cash eligible for exchange into the Latvian national currency—lats—will be the Latvian rubles. In his words, the printing of lats will be completed by September, 1992. He noted, however, that favorable economic conditions for the successful introduction of the lats in the republic would not be primed until the spring of 1993.

Edmunds Krastins believes that the introduction of the Latvian ruble is not likely to provoke negative reaction from Russia. At the same time, he does not exclude a possibility of "inadequate" measures Russia may be forced to resort to due to certain political circumstances.

Measures for Financial Stabilization Taken

OW0605213992 Moscow BALTFAX in English 1852 GMT 6 May 92

[Transmitted via KYODO]

[Text] The Latvian parliament has approved a package of urgent measures for financial stabilisation and reorganisation of account-settling between banks. Under its resolution, Latvian banks are to submit the analysis of creditworthiness by their clients until June 1. However, the clients are allowed to service their debt, if any.

Cashing is forbidden unless authorised by the Bank of Latvia.

Local authorities have been instructed to ensure the privatisation of at least 15% of retail trade by July 1, and 35% by September 1.

The Cabinet is instructed to lift immediately all restrictions on the sale interest and benefits, now running at 25%, to enable business owners to set them as they please.

The Cabinet and the Bank of Latvia must also carry out the analysis of foreign exchange accounts by state enterprises until June 1, and to submit proposals on how to use them to stabilise finances two weeks later.

Doubts Expressed on Accord With Russia

LD0305122992 Riga Radio Riga International in Latvian 0430 GMT 1 May 92

[Text] After prolonged discussions representatives of the Russian Government have finally accepted the previously coordinated intergovernmental agreement between Latvia and Russia on an exchange of food products and energy resources in 1992. The Russian side has been explaining the delay by hitherto unclear oil prices, which have now been fixed. The new prices of oil and its products are approximately half as much higher than previously.

The Latvian side has, however, expressed concern whether Russia would not refuse fulfilling the agreement, as it has happened more than once before. Ziedonis Blumbergs, the deputy minister of power of the Republic of Latvia, has said that there are still many obscurites concerning the implementation of the agreement, which it will be possible to solve only after the return of Russian Deputy Prime Minister Yegor Gaydar from a foreign visit.

Talks on Housing for Emigrants End in Failure

OW0605231992 Moscow BALTFAX in English 1343 GMT 6 May 92

[Transmitted via KYODO]

[Text] Latvia's Deputy State Minister Pers Sternins announced at a press conference in Riga that the talks between the Latvian government and the authorities of the Pskov region (Russia) ended without any visible success".

The two sides discussed the possibility of providing emigrants from Latvia, mostly ex-servicemen of the Russian army, with housing and land.

Sternins said that the sides did not come to terms on the size of compensation for the freed housing in Latvia. Representatives of the Pskov region demanded a compensation of 50,000 to 800,000 roubles to each emigrant for each of the freed apartments. The Latvian side insists that each square meter be compensated with 800 roubles.

The rest of the items did not cause disagreements. For instance, for a pay, Latvians will build houses in the Pskov region.

Representatives of the Pskov region expressed hope that the emigrants will settle in scarcely populated districts and set up farms.

As was reported previously, each emigrant will receive a loan and 7 hectares of land.

According to Latvian sources, only 150 families have volunteered to emigrate. This does not mean, however, that all of them will go to the Pskov region.

According to the Latvian sociological center, 50,000 people may leave Latvia soon.

Ship Damaged in Collision With Russian Tanker

LD0605053492 Riga Radio Riga Network in Latvian 1730 GMT 5 May 92

[Text] As already reported, on the night of 3 May, the motor-ship Sigulda, which belongs to the Riga fishing transport fleet, collided in the Aegean Sea with the

Russian tanker Geroy Chernomorya. A LETA correspondent has reported new details on this event, which were received today by radio from the area of the accident.

The Sigulda, which had its rudder damaged, ran into the tanker. This created a leak, and petroleum products started leaking. A large oil slick is drifting toward Turkey; fuel floating on the sea is being collected by special Greek ships. The Sigulda's stern is seriously damaged. At present, the stricken ship is located in (?a) bay, 60 miles from Athens, currently being repaired by a Greek shipbuilder.

Two Warships Begin Patrol of Territorial Waters

OW0605232592 Moscow BALTFAX in English 1344 GMT 6 May 92

[Transmitted via KYODO]

[Text] Two Latvian warships, Sams and Spulda, set out from Riga to Liepaja on Tuesday [5 May] to start patrolling the republic's territorial waters and fishing zone. A defence ministry official, Mr Janis Maurins, told BF [BALTFAX] news agency that a third one was due to be transferred to the Latvian navy after repair and rigging were completed this month. The three vessels were transferred to the defence ministry by the now-defunct Baltic Fishing Inspection Authority.

Finland Grants $10 Million in Credits

LD0605060792 Riga Radio Riga Network in Latvian 1730 GMT 5 May 92

[Excerpt] The Finnish Government has granted Latvia 50 million Finnish markkas or $10 million in credits. This credit will be received by the Latvian Government, and it will decide on the use of the credits. [passage omitted: credit will not be cash, but supplies of goods or technology from Finland, probably for agriculture]

Lithuania

Delegate on Need to Withdraw Russian Troops

LD0105213192 Moscow Russian Television Network in Russian 1900 GMT 1 May 92

[Report by correspondent A. Chernaya in the ""Vesti" newscast]

[Text] Although there have been three meetings of the groups of experts of Russia, Latvia, and Lithuania who have been attempting to reach agreement on the withdrawal of the former Soviet—now Russian—troops, Aleksandr Bishala, leader of the Lithuanian delegation, considers that:

[Begin Bishala recording] The talks have made hardly any progress. Despite the assurances, even official ones, given at previous meetings of experts, military personnel are still being brought in, and not singly but in hundreds. They are being brought in illegally, either through military airfields or by rail, dressed as civilians. [end recording]

[Chernaya] Army recruits were detained on 30 April at [name indistinct] railway station. Following instructions, they went into Lithuanian territory from Schelkovo in Moscow Oblast. They were given food and tea and sent back. Several notes have already been sent to Russia's Foreign Ministry, as yet unanswered. The arrival of army recruits in Lithuania violates the laws of the Lithuanian Republic and the decisions of the Lithuanian Government. [video shows soldiers' documents and rail tickets]

UN Assistance Regarding Withdrawal Sought

LD0105224792 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 1 May 92

[Text] It was reported today that on 30 April, Anicetas Simutis, Lithuanian ambassador to the UN, presented a note to the head of the UN Security Council lodging a protest against the illegal and not just one time introduction into Lithuania of new military units under Russian jurisdiction. "Since the Government of Lithuania is not being afforded the opportunity to enter the Russian-controlled military units that are deployed on Lithuanian territory, we respectfully request UN assistance in order to avoid further tension and instability from escalating within our region. We invite UN experts who can inspect the Russian military units, where Lithuanian officials are prohibited from entering, to come to the Baltic States," says the note addressed to head of the UN Security Council by Ambassador Anicetas Simutis.

Similar notes were presented also by the Latvian and Estonian ambassadors.

Ratification Documents Exchanged With Russia

LD0605163692 Moscow Programma Radio Odin Network in Russian 1500 GMT 6 May 92

[Text] The exchange of ratification documents on the treaty between Lithuania and Russia has taken place in Vilnius. The details in a dispatch by our correspondent, Ilyana Kurkleitite:

[Kurkleitite] The treaty opens up possibilities for a more intensive development of interstate mutual relations in the political, economic, and cultural spheres between Russia and Lithuania. The treaty itself provides for the conclusion of another 24 agreements, which will expand on its clauses, including those dealing with legal and family relations, on settling questions of citizenship, and protecting the rights of local minorities.

At a news conference held following the exchange of the documents, Landsbergis stressed that the finishing touches were made to the diplomatic activity which began 18 months ago in Yurmala after the meeting between the leaders of the Baltic states and Boris Yeltsin.

Replying to journalists' questions regarding the withdrawal of the troops of the former USSR, Landsbergis expressed the opinion of the Lithuanian side which is the desire that this withdrawal should take place before the referendum on this question. And the referendum, as we know, is planned for June of this year.

For his part, Shelov-Kovedyayev, the first Russian deputy foreign minister, a representative of the president of the Russian Federation, noted that the withdrawal will continue depending on the conditions of its redeployment.

During the course of his visit to Vilnius, Shelov-Kovedyayev named the final date of the withdrawal of the Soviet troops from Lithuania as 1997.

Questions of the return of the buildings of the diplomatic missions in Paris and Rome belonging to the Lithuanian Republic before 1940 were examined. Questions of the opening of an embassy of the Russian Federation in Lithuania and the adoption of a law on responsibility for the genocide of the Lithuanian population were also examined.

Shelov-Kovedyayev and other members of the delegation met with representatives of the Russian community, as well as Russian societies which had been set up in Lithuania. The guests were asked a number of pointed questions. It is probable, in Shelov-Kovedyayev's opinion, that many of these questions will be quickly solved as a result of the opening of the consular service in Lithuania in the near future.

Vagnorius Speaks to Legislature on Government

LD0505225192 Vilnius Radio Vilnius Network in Lithuanian 0945 GMT 5 May 92

[Address by Lithuanian Prime Minister Gedimanas Vagnorius to the plenary session of the Lithuanian Supreme Council in Vilnius—live]

[Excerpts] Esteemed deputies: Although discussions often center around the government situation, I do not think that the government is the problem. I am convinced that, should the great need arise to establish a stable government, we would resolve these questions, these false questions, without difficulty. I don't know whether it would be the best thing for the Lithuanian people to see just how inactive and incapable the Lithuanian Government is. Clearly, we must search for other, more common problems and means of solving them so that this does not happen.

I promised to review our general political situation today with somewhat more criticism; however, I will try to soften my speech as much as possible after the short hour I spent at the Supreme Council. One of my colleagues reproached me, saying that certain individuals have bribed me through their work. Yes, I agree with that; they have bribed me. It is only too bad that more people do not bribe me with work, those who work without casting about. Of course, it is possible to have another type of rationale: It is possible to question whether these colleagues are sometimes working temporarily.

Of course, there is a great risk of erring when choosing coworkers in political life. I trust those whose work demonstrates political views corresponding to state interests rather than those who appear to be working sincerely or those who use empty words to assure us that they support an independent and democratic Lithuania and economic reforms.

The great majority of Lithuania's people are sincerely struggling to fashion a better life for themselves and for the state. Unfortunately, things are developing somewhat differently within the state's political life. A clear division into two groups can be seen: One group bases its political activity on useful work and a constructive position, while the other is politically motivated through destructive activity or open destruction of the political and economic life of a foreign state. Concern arises from the fact that there is a noticeable decrease in the number of constructive politicans and officials who (?toil) for the good of the state during this difficult period for Lithuania. Others attempt to form policy by criticizing everthing negatively or by throwing monkey wrenches into the works. We want to suggest that they stop this and reflect on the results for Lithuania and its people. We will not get far by throwing monkey wrenches into the works, especially in light of the fact that the number of monkey wrenches keeps increasing while there is hardly anyone left to run the works. It would behoove us to stop casting about in every direction in search of justice, personal relations, and beautiful assurances and to sort our own—as well as others, both the good and the bad—according to an individual's practical activity and his work. I also think that it is not that difficult to separate those who work from those who do not, nor is it difficult to separate those political forces or groups that use their words or statements to support reform and the government's policy. The widest possible support is useful to reform. However, one questions whether declarative statements by representatives—of parties, for instance, that of a party that has traditionally come out for this government's leadership—are useful. Could it be only to demonstrate verbal support? This is clearly different from taking action. Let us agree that such a verbal agreement is often accorded to increase political confusion within society, to make it more difficult to discern who is who.

I cannot ignore certain individuals or statements by certain individuals. They say that they support the prime minister or that they could support him if only he cleansed the government of the leftists. At the same time, they propose to remove not the extreme leftists but those who never belonged to any party and those who work the hardest. If we assess people in such a peculiar fashion, soon there simply will not be anyone left to engage in specific work. Moreover, it appears that we all have quite a bit with which to concern ourselves.

I think that the various small, political intrigues also fail to bring us any honor. We witnessed over the last six months the manipulation of those who are credulous or those who may be more easily influenced. While easily acquiring trust and taking advantage of insufficient experience in state administration and economic problem solving, the various political groups did not renounce attempts to attribute their decisions to, for instance, Deputy Prime Minister Zigmas Vaisvila. Of course, if the desire and the ability to work productively were the principal criterion of asssessing an official's activity, we would not be subjected to casting about in search of our own people among strangers.

A few words concerning presidential elections: Yes, Lithuania needs a president. I am convinced that Esteemed Supreme Council Chairman Landsbergis should become—and deserves to be—president. Society would not understand any other decision; other decisions would only lead to greater confusion. Thus, I fail to understand the aspirations of certain political forces to hinder the presidential election at any cost. I also cannot agree with those supporting the presidential institution who would seek to obtain the widest possible authorizations and responsibilities for the president at any cost. The president should not be directly and solely responsible for the Lithuanian economy at this extremely difficult stage in restoring Lithuania's economy. However, the president's jurisdiction should include the more general foreign and internal political questions of the state.

I believe that the majority of deputies do not question the need to hold elections to the Seimas in the fall. I hoped a few months ago that we would regulate political relations within this parliament. However, it has already become evident that we can no longer stabilize the political situation without Seimas elections. The current political situation is dangerous. Therefore, it is vital to shorten the campaign period as much as possible. On the other hand, if the Seimas elections were to take place in late fall or in early winter, we would risk living through a much colder winter. Considering all this, in accordance with the draft law presented by the Supreme Council, we would propose to organize the election no later than the end of September. It would be best if it was held at the same time as the presidential elections.

This Supreme Council has completed a monumental task: It has restored the Lithuanian state and laid its foundation by carrying out the will of the people. Supreme Council deputies deserve every kind of respect; however, everything takes time, and we must preserve the good name of this historic parliament. The Supreme Council should announce the new Seimas elections. Considering the situation that has developed, continuing Supreme Council activity during a protracted period of time would pose the danger that the foundations already in place would be replaced anew. Deputies who are prepared to continue erecting the state upon these foundations will easily become Seimas deputies. It is not that important what the parties are since democrats, Christian democrats, nationalists, liberals, or members of other parties supporting the Lithuanian state will win more seats.

In light of the current economic difficulties and the remaining outside threat, it is most important to form effective government structures and a strong government that will be supported solidly by the Seimas. Anything to the contrary would mean that Lithuania would face less than peaceful times. There will be those who attempt to portray these and certain other proposals on administrative restructuring as augmenting political tension. I cannot agree.

There comes a time when one must compromise and make concessions, a time when one must make more serious decisions, and a time when one must show some measure of political determination.

Reorganizing the Lithuanian Procuracy would help strengthen the government. If we can control criminal offenses to some extent, then the Procuracy's failure to carry out investigations into economic crimes is very dangerous to the state as a public organization. The Procuracy is an intermediary between executive power and the courts of law to which it should transfer the prepared materials. However, this is not taking place and perhaps never will as long as the Procuracy is not subordinate to the Justice Ministry. [passage omitted]

Stricter administrative responsibility should be restored to the government apparatus, state offices, and organizations. Therefore, a provisional draft law on the government's work under economic reform has once again been presented to the Supreme Council for discussion. This law will be valid until the new elections to the Seimas. It was proposed to dismiss municipal government leaders for failing to carry out their duties appropriately in a slightly different way. [passage omitted]

The Bank of Lithuania belongs to the executive power category and has become a strange and very great burden to the Lithuanian economy and reforms. Gross, open financial abuse in the central bank, which should have an irreproachable reputation and prove an organization of exemplary financial discipline, is only one problem but a big one. What is worse is that the Lithuanian economy is practically paralyzed as a result of the Bank of Lithuania's inability or unwillingness to defend the state's interests. [passage omitted]

However, I doubt if this game should continue for we have already reached the most dangerous line. The settling of accounts between enterprises, as well as with Russia and other neighboring Republics, has been disrupted. The following situation serves as an illustration of what in practical terms the failure of control over the central bank means: Practically all enterprises are operating at a profit, with average industrial profitability reaching 80-100 percent—i.e., ten times higher than the normative profitability—yet all enterprises cannot pay. It is a question of the world's economic theory, and

practice knows such a case: The debt among enterprises crossed the 10 billion ruble mark long ago as a result of freezing credit resources when prices rose more than 10 times. Russian banks and enterprises owe Lithuanian enterprises no less than five billion rubles. [passage omitted]

The worst thing is that the bank administration is playing the state bank game and forgot that the ruble is not the Lithuanian currency. As it happens, it looks like Lithuania, while openly violating its vital interests, undertook the task of resolutely saving the ruble, its currency system, while at the same time paying absolutely no attention if Russia itself or other neighboring Republics in the ruble zone were doing the same. As it appears, these are not saving the ruble and are not going to do this. In one way or another, they continue issuing credits while Lithuania has frozen credits since the beginning of March. [passage omitted]

If the big, neighboring states issue lots of credits, then freezing credits in this Republic would ruin the economy. Considering that the Bank of Lithuania ignores the Republic of Lithuania's interests, laws, and government decrees and that its members do not meet required qualifications, it is necessary to change its composition as soon as possible. A partial reorganization of the government, even if this government were to function only for a short time, cannot be postponed any longer. Beside the banks, the Finance, Economy, and Power Engineering Ministries play a decisive role in the Lithuanian economy. The restructuring which is needed under market conditions can be seen at the Finance Ministry; expected changes at the Lithuanian Power Engineering Ministry during 1990-92 did not take place. The matters of setting up joint enterprises with foreign firms remain stuck, as are any other initiatives, such as the reconstruction of the Mazeikiai oil refinery and the more vigorous prospecting and utilizing of the local oil deposits. [passage omitted]

The power engineering minister lately has restricted himself only to cheerier reports on difficulties in the power engineering industry or to proposing that oil companies pay more for oil supplies either because he does not want to or is unable to work sincerely for the state's benefit. [passage omitted]

I think that some find reports of this nature rather useful; some in Moscow are already trying to use them. Therefore, it was an absolute shock when we recently found out that our Power Engineering Ministry agreed that the power produced by Lithuania for Kaliningrad be referred to in the hard currency account of balance of payments with Russia not as power produced by Lithuania but by Byelarus or the CIS joint power engineering system. [passage omitted]

However, if the power produced by Lithuania is not referred to as being exported to Kaliningrad in the account settling documents, then it will appear at the end of the year that the agreed balance of hard currency materials and energy with Russia has been violated. The treaty with Russia says that we would have to pay more than $100,000,000. Obviously, we do not have this money. Of course, such actions should be qualified as acting against the state, regardless of whether they were prompted by the personal arrogance of the officials or by the desire to demonstrate how much harm one person can do. Therefore, I am compelled to demand that the power engineering minister be released from his duties. I will find it difficult to control the situation in this department until my request is satisfied. [passage omitted]